

PERFORMANCE AUDIT



Office of the
Washington
State Auditor
Pat McCarthy

Evaluating Customer Service at Washington's Department of Employment Security

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Executive Summary

State Auditor's Conclusion (page 48)

In 2021, the Legislature enacted a series of reforms intended to address customer service issues at the Employment Security Department (ESD). Early in the COVID-19 pandemic, the agency had faced a spike in both the number of unemployed people seeking benefits and the amount of benefits available to support them. This performance audit sought to independently determine whether the agency met the requirements of that legislation and to what extent its customer service had improved.

We found ESD has partially met the law's new requirements. However, the customer experience appears to have been minimally affected by those efforts. For example, we found that the decline in claims volume as the pandemic has subsided, rather than the agency's strategic changes, has had far more of an effect on the amount of time people wait for their first benefit payment or to talk to a customer service representative. We make recommendations to ESD to help it maximize the results of its reforms, including fully meeting legislative requirements, measurably improving the customer experience, and improving performance management.

Background (page 7)

The global COVID-19 pandemic upended life in Washington, as it did worldwide. In response to early restrictions that were put in place to reduce the spread of the virus, many businesses temporarily laid off large numbers of employees while others closed entirely. Unemployment shot above 15 percent by April 2020, causing unemployment insurance claim volumes the state had never seen before. While the state acted to control the pandemic, the federal government approved nearly \$2 trillion in aid for states in March 2020 and also expanded safety net programs. In Washington, the Employment Security Department (ESD) struggled to manage the overlapping benefit programs, issue payments and respond to customer questions. Compounding these challenges, the agency was overwhelmed by a barrage of fraudulent unemployment benefit claims in April 2020 which eventually forced ESD to adopt new procedures to prevent payments from going to false claimants.

ESD's many customer service challenges led the Legislature to require customer service improvements and performance reporting. In 2021, the Legislature passed Engrossed Substitute Senate Bill (ESSB) 5193 as a response to widely documented

concerns about how ESD managed the crisis. The bill required ESD to report key customer service metrics to the public and Legislature; it also mandated practices that legislators hoped would better prepare ESD for a future crisis and address some specific problems many claimants faced. This audit looked at the progress ESD has made in improving customer service.

As of July 2022, ESD had partially implemented legislative requirements aimed at helping speed payments and increase transparency (page 13)

Legislation from 2021 required ESD to establish a reserve force of trained adjudicators, and to improve accessibility and reporting. With regard to establishing a reserve of trained adjudicators, ESD developed a training program and assembled a group of adjudicators, but it has not taken steps to ensure the training program is sufficient or that it will be able to deploy the reserve force if needed. With regard to improving accessibility, ESD explored all but one required area of the legislation with an advisory committee and established two of the three required phone lines. However, it only partially addressed legislative reporting requirements. With regard to reporting, ESD did not clearly address all required metrics in its quarterly reports. Although ESD established an online data dashboard, it included fewer than half of the measures specified in statute. Additionally, ESD issued required Legislative update reports, but some information was unclear or missing.

Customer service improved as staff workload declined (page 22)

ESD did not see improvements in payment times and call center performance until claim volumes dropped to near pre-pandemic levels. Payment times worsened until May 2021 and did not show sustained improvement until October 2021. Call center performance also showed no improvement until the very end of 2021. These improvements in outcomes for claimants corresponded to a drop in claimant volume. By improving the way it tracks payment timeliness and call center metrics, ESD could more effectively monitor customer service improvement. At present, ESD cannot effectively monitor payment timeliness because its tracking method is flawed, nor does it track call center metrics effectively enough to manage performance.

ESD's efforts aimed at improving customer service have shown minimal results (page 29)

ESD's benefits management software system generates letters using templates and individualized information. Letters sent during the pandemic confused and alarmed claimants, prompting the legislation that called for improvements. As of July 2022, ESD had improved only a few customer service letters in production for clarity and tone. ESD began revising claimant letters but has made little progress, and those letters it has revised did not fully meet legislative requirements. While ESD's website now has a virtual assistant to improve customer service, it needs further work.

ESD does not have a robust performance management structure in place to monitor and improve its customer service (page 38)

ESD lacks defined or actionable customer service measures tied to its strategic plan, which is a key part of performance management. Three specific activities in the 2019-21 strategic plan that included steps for establishing baseline data and performance measures were not carried forward into subsequent plans. ESD's short-term strategic plan for 2021-22 included one measure related to customer service and one general strategy for achieving it. However, ESD's draft strategic plan for 2022-26 still lacks defined, actionable customer service measures for achieving goals. ESD's customer service efforts are also disjointed and not tied to broader strategic goals. A better performance management system could help ESD monitor and improve its customer service. Additionally, ESD still lacks an emergency plan for how to better handle future surges in claims.

Certain practices helped other states handle increased customer service demands during the pandemic (page 45)

Experiences in other states offer examples of promising practices that can help maintain good customer service in a crisis. These practices include: designing a system that allows claimants to do as much as possible online; cross-training staff; de-escalation training; adjudication triaging; using data to direct workflows;

conducting data analysis to inform decision making; augmenting staffing when necessary; and making the most of external communications opportunities. ESD managers reviewed these practices and said the agency either already does or plans to do most of them.

Recommendations (page 49)

We made a series of recommendations to the Employment Security Department to address issues with meeting ESSB 5193 requirements, customer service challenges, the tracking of customer service performance and performance management shortcomings.

Next steps

Our performance audits of state programs and services are reviewed by the Joint Legislative Audit and Review Committee (JLARC) and/or by other legislative committees whose members wish to consider findings and recommendations on specific topics. Representatives of the Office of the Washington State Auditor will review this audit with JLARC's Initiative 900 Subcommittee in Olympia. The public will have the opportunity to comment at this hearing. Please check the JLARC website for the exact date, time, and location (www.leg.wa.gov/JLARC). The Office conducts periodic follow-up evaluations to assess the status of recommendations and may conduct follow-up audits at its discretion. See **Appendix A**, which addresses the I-900 areas covered in the audit. **Appendix B** contains information about our methodology.

Background

The COVID-19 pandemic led to a mass shutdown of the economy in early 2020, causing ESD's workload to soar and customer service to suffer

The coronavirus that caused the global COVID-19 pandemic upended life in Washington, as it did worldwide. Washington recorded the nation's first documented case of COVID-19 in January 2020 and the first coronavirus-related death the following month. In mid-March, Governor Jay Inslee closed schools and limited large gatherings; he later directed Washingtonians to stay at home and closed all non-essential businesses to help prevent the virus's spread. In response to those early restrictions and to public fears of contracting the virus which greatly reduced demand for services, many businesses temporarily laid off large numbers of employees while others closed.

In January and February 2020, the state saw between 60,000 and 80,000 people receive unemployment compensation. The following surge of benefit claims triggered by the pandemic was unprecedented. Over the course of a few weeks in March 2020, unemployment shot upward, from about 70,000 claimants to more than 200,000. By April, unemployment was above 15 percent and continued rising. In the month of May, more than 700,000 people received unemployment compensation from one or more of the existing or new benefit programs. Later that month, the governor began allowing some businesses to reopen with safety protocols in place. Over time, the governor slowly eased restrictions, with most removed by June 30, 2021.

As the state took action to control the pandemic in March 2020, the federal government approved nearly \$2 trillion in aid for states. The aid package, known as the Coronavirus Aid, Relief, and Economic Security (CARES) Act, provided support to struggling businesses and nonprofits and funded public health measures. It also expanded safety net programs, creating the Pandemic Unemployment Assistance program to widen eligibility for unemployment compensation and the Federal Pandemic Unemployment Compensation program to increase weekly benefits by \$600.

These temporary measures helped people unable to work due to the pandemic but fell outside the unemployment system's traditional bounds. While they increased the number of people eligible for payment, they also created a patchwork of eligibility and reporting requirements that challenged state workforce agencies nationwide.

In Washington, the Employment Security Department (ESD) struggled to manage the overlapping benefit programs, issue payments and respond to customer questions. Compounding these challenges, in April 2020 the agency was overwhelmed by a barrage of fraudulent unemployment benefit claims that eventually forced it to adopt new procedures to prevent payments from going to false claimants. ESD dramatically increased staffing in response to all these issues, but it was insufficient to keep up with the rapid and massive rise in workload demands.

The State Auditor's Office 2021 audit examined the challenges ESD faced in 2020

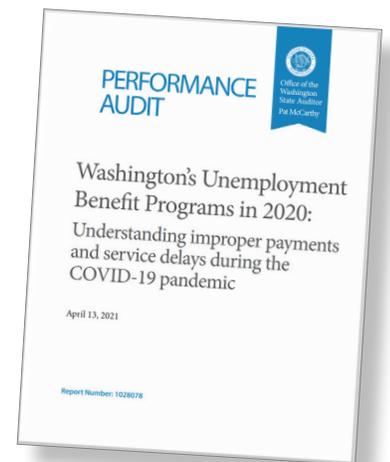
The State Auditor's Office conducted an audit, published in April 2021 (see sidebar), that identified many of ESD's customer service challenges in 2020. Even at the end of that audit period, most metrics – including payment times and call center performance – had not begun to show improvement as ESD continued to operate in crisis mode. That audit noted that ESD had dramatically increased staffing levels in response to a persistently high workload but had yet to see improvements in core customer service measures. While the audit identified what had happened during the pandemic, it did not look at whether ESD was prepared for a future crisis. We made no formal recommendations but strongly encouraged ESD to continue its efforts to address the issues.

The state Legislature imposed improvement requirements on ESD

ESD's many customer service challenges led the Legislature to require customer service improvements and performance reporting. In 2021, the Legislature passed Engrossed Substitute Senate Bill (ESSB) 5193 as a response to widely documented concerns about the way ESD managed the crisis. The bill required ESD to report key customer service metrics to the public and Legislature; it also mandated practices that legislators hoped would better prepare ESD for a future crisis and address some specific challenges many claimants faced.

This audit looked at the progress ESD has made in improving customer service

This follow-up performance audit examined ESD's improvements to customer service since the end of the previous audit and the passing of ESSB 5193. It also evaluated ESD's preparedness for another crisis.



Read the report on our website:
<https://portal.sao.wa.gov/ReportSearch/Home/ViewReportFile?arn=1028078&isFinding=false&sp=false>

This audit answered the following questions:

- Has ESD met the requirements of the customer service legislation passed during the 2021 legislative session?
- To what extent has the agency improved its customer service since that session?
- Does the agency have a quality performance management structure in place for monitoring and improving customer service on an ongoing basis?
- Were there practices in other states that resulted in better customer service related to unemployment benefits during the pandemic?

Sections of this report have been organized as a scorecard of agency progress against the explicit requirements of ESSB 5193. Pages 10-12 are a summary of results; the tables are also an internal table of contents to the Results section of this report, to enable readers to find specific issues of interest quickly. **Appendix C** contains a more detailed list of the bill's requirements.

Summary of ESSB 5193 requirements and results

[ESSB 5193](#) required the Employment Security Department (ESD) to make numerous customer service related improvements. Over the next several pages, **Exhibit 1** sets out the agency's progress in meeting them as of July 2022, shown as solid black (fully implemented), half black/half white (partially implemented), or solid white (no progress) dots. By clicking [links](#) in the PDF of this chapter, readers can jump to the page in Audit Results that addresses the requirement in more detail.

Exhibit 1 – Summary of ESSB 5193 requirements and results

● = Fully implemented. ◐ = Partially implemented. ○ = No progress.

Page	Requirement (Report exhibit number)	Implemented?	ESSB 5193 Citation
14	Create a training program to prepare a reserve force of skilled unemployment insurance adjudicators (Exhibit 2)	◐	
	ESD must create a training program to prepare a reserve force of skilled unemployment insurance claim adjudicators who can be available quickly when claims volume demands	◐	Sec 2(1)
	The program must:		Sec 2(2)
	Be open to both state and other public employees and private citizens	●	Sec 2(2)(a)
	Be of sufficient quality that a person completing the training and any required continuing education would be ready to work as an unemployment insurance claim adjudicator within one week of commencing employment with ESD	◐	Sec 2(2)(b)
	Provide a certification of completion to participants who complete the program	●	Sec 2(2)(c)
	OFM must collaborate with ESD to assist the Department in identifying agencies with current state employees who meet minimum qualifications for unemployment insurance claims' adjudicator.	●	Sec 2(3)

Exhibit 1 – Summary of ESSB 5193 requirements and results, *continued*

● = Fully implemented. ◐ = Partially implemented. ○ = No progress.

Page	Requirement (Report exhibit number)	Implemented?	ESSB 5193 Citation
16	Explore required areas with an unemployment insurance advisory committee (Exhibit 3)	◐	
	The Department will work with an unemployment insurance advisory committee comprised of business and worker advocates to explore:		
	Establishing thresholds that will trigger automatic staffing adjustments	●	Sec 3(3)(a)
	Establishing a pilot caseworker approach for unemployment claimants	●	Sec 3(3)(b)
	Increasing language access including providing translation of notices sent to claimants	●	Sec 3(3)(c)
	Frequency of training needed to meet requirements of the reserve adjudicator program	○	Sec 3(3)(d)
17	Establish dedicated phone lines for specific groups (Exhibit 4)	◐	
	Dedicated toll-free phone lines must be established for claimants:		
	Who lack computer skills or access to computers	○	Sec 3(4)
	With disabilities	●	Sec 3(4)
	With limited English proficiency	●	Sec 3(4)

Exhibit 1 – Summary of ESSB 5193 requirements and results, *continued*

● = Fully implemented. ◐ = Partially implemented. ○ = No progress.

Page	Requirement (Report exhibit number)	Implemented?	ESSB 5193 Citation
18	Regularly report on specific metrics and improvement progress (Exhibit 5)	◐	
	The department must provide quarterly reports with performance metrics (25 measures, see Exhibit 6 and Appendix C)	◐	Sec 4(2)
	The department must maintain an online data dashboard (no specific requirements)	●	Sec 4(1)
	The department must provide an annual report [to both chamber labor committees] on specific aspects of the reserve adjudicator pool (3 required components)	●	Sec 2(4)
	The department must provide at least quarterly reports [to both chamber labor committees] on progress implementing ESSB 5193, updates related to protecting sensitive data or to relevant federal programs or funds, and software or technology issues related to claims processing. (5 required components, see Exhibit 7 and Appendix C)	◐	Sec 5(1) (a-e)
30	Assure that letters, alerts and notices are comprehensive, clear and readable (Exhibit 12)	◐	
	The department must designate department employees to assure that:		
	Letters, alerts, and notices produced manually or by the department’s unemployment insurance technology system are written in plainly understood language	◐	Sec 3(1)
	Letters...are...tested on claimants before they are approved for use.	●	Sec 3(1)
	Criteria for approval must include comprehensibility, clarity and readability	●	Sec 3(1)
	If the messaging of any letter, alert, or notice falls short of those criteria, manual methods of producing a comprehensible version shall be considered while the department waits for its unemployment insurance technology system to incorporate required modifications.	●*	Sec 3(1)
	*ESD did consider manual methods so technically met this requirement; however, the agency has not actually implemented any manual methods to update letters.		
	Determinations and redeterminations must clearly convey: Applicable statute numbers, a brief explanation of pertinent law, and an outline of relevant facts, reasoning, decision and result	◐	Sec 3(2)

Audit Results

As of July 2022, ESD had partially implemented legislative requirements aimed at helping speed payments and increase transparency

Results in brief

Legislation from 2021 required ESD to establish a reserve force of trained adjudicators and to improve communications, accessibility and reporting. ESD developed a training program and assembled a reserve force of unemployment insurance adjudicators. However, ESD has not ensured training program quality or that it can deploy the reserve force when claim volumes demand it. ESD made minimal progress assuring that letters, alerts and notices are comprehensive, clear and readable. ESD explored all but one required area of the legislation with an advisory committee, and established two of the three required phone lines. However, it only partially addressed legislative reporting requirements. ESD did not clearly address all required metrics in its quarterly reports. Although ESD established an online data dashboard, it included fewer than half of measures specified in statute. Additionally, ESD issued required Legislative update reports, but some information was unclear or missing.

Legislation from 2021 required ESD to establish a reserve force of trained adjudicators and to improve communications, accessibility and reporting

In 2021, the Legislature passed ESSB 5193 to help ensure quicker claim resolution and benefit payments during future unemployment crises. The legislation's multiple requirements for the Employment Security Department (ESD) included establishing a pool of qualified unemployment insurance adjudicators who could be activated and ready to work within one week. This would help ESD better deal with any future surges of claims and help prevent future customer service issues. The Legislature also included requirements intended to reduce claimants' need for assistance and assure transparency of claims processing performance measures.

For summary results for all requirements, see pages 10-12.

For detailed results, see Appendix C.

In this chapter, we discuss the extent to which ESD met five of ESSB 5193 requirements through July 2022, with the exception of requiring agency communications be comprehensible, clear and readable. Because this was one of the most significant concerns that stakeholders voiced, we discuss improvements to claimant communications more broadly in the chapter starting on page 29 as part of other customer service improvements. We gave each of the five required areas a roll-up score; these scores are shown as solid black (fully implemented), half black/half white (partially implemented), or solid white (no progress) dots.

 **ESD created a reserve force of unemployment insurance adjudicators, but needs to ensure it can rely on the pool if need arises**

ESSB 5193 required ESD to prepare a reserve pool of trained people who could start work within one week of activation when claim volumes demanded higher staffing levels (see Exhibit 2).

Exhibit 2 – Create a training program to prepare a reserve force of skilled unemployment insurance adjudicators

● = Fully implemented. ◐ = Partially implemented. ○ = No progress.

Requirement [ESSB 5193 citation]	Implemented?
Create a training program to prepare a reserve force of claim adjudicators. [Sec 2(1), 2(2)]. The program must:	◐
Be open to both state and other public employees and private citizens [Sec 2(2)(a)]	●
Be of sufficient quality that a person could be ready to work as an adjudicator within one week of starting work at ESD [Sec 2(2)(b)]	◐
Provide a certification of completion to participants who complete the program [Sec 2(2)(c)]	●
Collaborate with OFM to identify agencies with current state employees who meet minimum qualifications for adjudicator [Sec 2(3)]	●

ESD developed a training program and trained a pool of adjudicators

ESD established a reserve pool of trained adjudicators that the agency said could start work within one week of activation. The agency worked with the nationally accredited National Association of State Workforce Agencies (NASWA) to develop a training program that met legislative requirements; NASWA also conducts the trainings, including annual continuing education requirements. Upon successfully

completing the NASWA program, participants receive certificates of completion. If activated, reserve adjudicators then receive one week of training targeted to a specific area needing additional staff resources. The one week of training is part of ESD's existing training program for adjudicators but focuses on just one aspect of the work so employees can start within the required time frame.

ESD said it worked with the Office of Financial Management to identify possible candidates already working at other state agencies, and a number of state employees have taken the training. As of July 1, 2022, the pool had more than 300 trained reserve adjudicators. According to ESD, it contains both public employees and private citizens, including temporary adjudicators who had been hired during the pandemic's height, previous ESD interns, members of the National Guard, and employees from multiple state agencies. In addition, about 50 Health Care Authority employees were scheduled to take the training in July, after the start of the new biennium.

However, ESD has not monitored training program outcomes or ensured that it can deploy the reserve force when claim volumes demand it

Although ESD has taken steps to ensure the reserve adjudicator training program is of sufficient quality, the agency has not yet established any formal mechanisms to ensure the training is operating as designed; instead it is relying on NASWA's expertise. For example, ESD ran a pilot project to train interns, which included the NASWA training plus the one week of additional ESD training. ESD said the training model was successful, but did not formally evaluate or report on intern performance or the sufficiency of the training program. During the pandemic, ESD said hiring a large number of new employees was not an effective way to address customer service issues because the new employees were not yet trained. For a pool of standby employees to be truly beneficial, ESD needs pool members who have received sufficient training, and to achieve that, it must ensure the training program is effective.

For the agency to be ready when claim volumes demand, it must ensure it has sufficiently trained members in the pool that it can readily contact. During the audit, we found ESD had not yet created a consolidated procedure for the pool, including to monitor reserve adjudicator pool numbers and to ensure it could reach pool members when it needed them.

Our review of member information provided by ESD found that the lists were incomplete: they included only about 300 pool members, compared to the more than 400 ESD reported to the Legislature. Furthermore, our review of a sample of 55 pool members who had completed the required training found about half of the listed members' email addresses were incorrect. Lacking current contact information means the agency would not be able to readily activate at least half its pool of reserve adjudicators because it will not be able to reach them.

When asked, ESD said the missing information was for pool members who were no longer state employees. The state’s training system – primarily intended for government employees – is not set up to track private citizen pool members and their contact details. Instead, ESD relied on NASWA, its training partner, for this information. In response to the inaccuracies auditors found in member information, ESD set up a consolidated procedure for monitoring the pool. The process includes steps it will take if membership drops below specific levels and how it will ensure up-to-date contact information for all pool members, including private citizens. However, the procedure did not include steps to monitor training program quality.

ESD explored all but one required area of the legislation with an advisory committee composed of unemployment insurance stakeholders

ESSB 5193 required ESD to explore specific areas relating to customer service with an advisory committee comprised of business and worker advocates (see Exhibit 3).

Exhibit 3 – Explore required areas with an unemployment insurance advisory committee

● = Fully implemented. ◐ = Partially implemented. ○ = No progress.

Requirement [ESSB 5193 citation]	Implemented?
ESD will work with an advisory committee comprised of business and worker advocates to explore:	◐
Establishing thresholds that will trigger automatic staffing adjustments [Sec 3(3)(a)]	●
Establishing a pilot caseworker approach for unemployment claimants [Sec 3(3)(b)]	●
Increasing language access including providing translation of notices sent to claimants [Sec 3(3)(c)]	●
Frequency of training needed to meet requirements of the reserve adjudicator program [Sec 3(3)(d)]	○

ESD met with an unemployment insurance advisory committee to explore three of the four ESSB 5193 required areas. The areas discussed were establishing thresholds that automatically trigger staffing adjustments, establishing a pilot related to a caseworker approach, and increasing language access. However, ESD temporarily halted the committee’s meetings before discussing the fourth: the frequency and need for continuing education for reserve adjudicator pool members.

During the COVID pandemic, ESD operated multiple concurrent committees, including:

- Employment Security Advisory Council – Historically served as a statutorily required advisory committee under RCW 50.12.200
- Unemployment Insurance Advisory Committee – Established during the COVID-19 pandemic specifically to address pandemic-related issues

These committees had similar purposes, but the Unemployment Insurance Advisory Committee was established specifically to address COVID-19 issues. For that reason, once demands from the pandemic lessened, ESD halted most meetings to assess which were needed and to better manage committee-related activities. Although ESD had yet to explore the fourth topic, the agency said it will soon restart relevant advisory committee meetings that meet statutory requirements and plans to address it then. Until it does so, ESD may not have sufficient input from relevant stakeholders, represented by the committee, when making decisions related to this area.

ESD established two of the three required telephone lines

ESSB 5193 required ESD to establish dedicated phone lines for various groups to help ensure accessibility for groups of people who might have difficulty obtaining help with unemployment benefit claims (see Exhibit 4).

Exhibit 4 – Establish dedicated phone lines for specific groups

● = Fully implemented. ◐ = Partially implemented. ○ = No progress.

Requirement [ESSB 5193 citation]	Implemented?
Establish dedicated toll-free phone lines for specific groups of claimants:	◐
Who lack computer skills or access to computers [Sec 3(4)]	○
With disabilities [Sec 3(4)]	●
With limited English proficiency [Sec 3(4)]	●

Although ESD already had a telephone line in place for people with disabilities and had recently added one for people with limited English proficiency, it has not yet established a dedicated line for people with limited computer access or skills. ESD officials said the agency is conducting a research pilot on how to ensure the

phone line is used only by the intended claimants, because if the dedicated line is not protected, claimants who do in fact have access to a computer could clog the line and prevent its intended users from accessing it. ESD had not completed the pilot at the time of our assessment and therefore we could not determine the project’s outcome. While the challenges involved in barring other users from using the dedicated number may make this requirement difficult to implement, without addressing the issue, claimants unable to use a computer may have more difficulty reaching ESD for claim issues.



ESD partially addressed legislative reporting requirements

ESSB 5193 required ESD to report quarterly on 25 specific performance measures, maintain an online data dashboard, and provide quarterly updates on its implementation of the legislation (see Exhibit 5 and Appendix C for specific requirements for all measures discussed below).

Exhibit 5 – Regularly report on specific metrics and improvement progress

● = Fully implemented. ◐ = Partially implemented. ○ = No progress.

Requirement [ESSB 5193 citation]	Implemented?
Provide quarterly reports with performance metrics (25 measures, see Exhibit 6 and Appendix C) [Sec 4(2)]	◐
Maintain an online data dashboard (no specific requirements) [Sec 4(1)]	●
Provide an annual report [to both chamber labor committees] on specific aspects of the reserve adjudicator reserve pool (3 required components) [Sec 2(4)]	●
Provide at least quarterly reports [to both chamber labor committees] on: ESSB 5193 progress, protecting sensitive data, relevant federal programs or funds, and IT issues related to claims processing (5 required components) [Sec 5(1)(a-e)]	◐

ESD did not clearly address all required metrics in its quarterly reports

As of October 2021, ESD was required to provide quarterly reports to the Legislature on specific performance measures related to unemployment insurance. The ten topic areas include a total of 25 individual measures concerning claimant and employer call centers, appeals, overpayments and more.

In quarterly reports on specified performance measures, ESD did not clearly address all specified metrics (see Exhibit 6 and Appendix C). Although ESD said it addressed all requirements, we found its presentation of some metrics made the results unclear. For example, ESD chose not to separate reporting of employer and claimant call center measures, instead reporting data for both as one measure. ESD said it reported the data this way because it has always done so. Nonetheless, doing so prevents report users from seeing specific employer and claimant call center information, and may limit legislators’ ability to accurately understand the information they requested.

Exhibit 6 – ESD did not clearly address all metrics from ESSB 5193 in required reporting activities and the required dashboard could be more useful

Measure description (number of measures)	Addressed in reports	Addressed in dashboard
Claimant claims center measures (5 measures)	Yes	Partial
Employer claims center measures (5 measures)	Unclear	Partial/Unclear
Ratio of staff phone agents to claimants and to employers (2 measures)	Yes	No
Overpayment measures (3 measures)	Yes	No
Appeals measures (3 measures)	Yes	Yes
Total claims pending in adjudication (1 measure)	Unclear	Unclear
Total claims where payment has been halted for review (1 measure)	Unclear	Unclear
Other total claims or amounts measures (3 measures)	Yes	Yes
Percentage of unemployed persons receiving benefits (1 measure)	Yes	No
Update of Unemployment Rate (1 measure)	Yes	No

Two other measures, Total Claims Pending in Adjudication and Total Claims Where Payment Has Been Halted for Review, were not reported clearly because ESD renamed them in reports without explanation. ESD addressed both measures by reporting on “claims pending,” but did not include information to clearly connect the two requested measures to the data being reported. This may prevent readers, including legislators, from fully understanding the data presented and how it compares to what ESSB 5193 specified.

ESD established an online data dashboard, but it included fewer than half of measures specified in statute

ESSB 5193 required ESD to maintain an online data dashboard. Although the contents of the dashboard were not specified, a useful dashboard would likely include the metrics set out in the same section of the legislation for performance metrics.

While ESD did assemble an online data dashboard, it displayed fewer than half the metrics included in ESSB 5193. For example, as part of performance measure reporting, the Legislature required ESD to include three measures relating to overpayments, but ESD included none of them in the online dashboard.

ESD issued required Legislative update reports, but some information was unclear or missing

ESD was expected to regularly update relevant legislative committees on various areas related to unemployment insurance, including its progress implementing ESSB 5193 and information on the reserve adjudicator pool (see Exhibit 7).

Exhibit 7 – ESD issued most required legislative updates

● = Fully implemented. ◐ = Partially implemented. ○ = No progress.

Requirement [ESSB 5193 citation]	Implemented?
Reporting on agency progress in implementing ESSB 5193 [Sec 5(1)(a)]	◐
Updates on new federal programs or funds received for unemployment [Sec 5(1)(b)]	●
Any IT issues related to claims processing including issues causing claim delays or inaccurate automated notifications [Sec 5(1)(c)]	●
Updates on protocols for protecting sensitive data [Sec 5(1)(d)]	●
Other relevant issues, or information related to enhancing the unemployment insurance system [Sec 5(1)(e)]	●
Annual report on the reserve adjudicator program, including: number of people with current certification, number of people employed by ESD and over what period of time, and adjudicator training and hiring costs [Sec 2(4)]	●

ESD met most requirements for these reports, but quarterly updates on ESSB 5193 implementation lacked some required elements and did not always present information clearly. In updates issued through July 2022, ESD did not address one of four requirements for working with an advisory committee. Also, reports about involving private citizens in the reserve adjudicator pool read as though ESD could not comply with the requirement, even though it had. While ESD submitted required reports to the Legislature and is maintaining an online data dashboard, it did not ensure that the resulting reports and dashboard met Legislative needs and requirements.

ESD did not ensure that projects resulting from ESSB 5193 met Legislative needs and requirements

While ESD has project management guidance intended to help guide projects as they move into operations, no one completed the steps in that guidance for any of the projects resulting from ESSB 5193. Furthermore, the available guidance lacked instruction to spell out the specific steps needed to ensure that projects met, and continued to meet, their intended goals. For example, ESD initially lacked established, consolidated procedures to monitor the reserve adjudicator pool numbers and member information; it took action to create them after we identified issues with pool accuracy and completeness. ESD did not explore all required areas with the unemployment insurance advisory committee before temporarily stopping committee meetings, even though it reported the project as completed to the Legislature. Finally, ESD did not take steps to ensure that legislative reports clearly documented all required information. These issues are discussed in detail in the chapter starting on page 38.

Customer service improved as staff workload declined

Results in brief

ESD did not see improvements in payment times and call center performance until claim volumes dropped to near pre-pandemic levels. Payment times worsened until May 2021 and did not show sustained improvement until October 2021. Call center performance also showed no improvement until the very end of 2021. These improvements in outcomes for claimants corresponded with a drop in claimant volume. By improving the way it tracks payment timeliness and call center metrics, ESD could more effectively monitor customer service improvement. At present, ESD cannot effectively monitor payment timeliness because its tracking method is flawed, nor does it track call center metrics effectively enough to manage performance.

ESD did not see improvements in payment times and call center performance until claim volumes dropped to pre-pandemic levels

Throughout the pandemic, claimants experienced frustration with payment timeliness and call center performance. Many claimants waited months after applying to receive any payment. When claimants had questions about their claims, ESD's call center often did not have sufficient capacity to accept their call, and when it did, claimants sometimes had to wait on hold for hours.

Payment timeliness is important because it signals how long claimants must wait before receiving benefits to help pay for necessities like housing and food. The federal government's timeliness standard is for payments to be made within 14 days of filing a claim after claimants served any applicable waiting weeks.

The call center is an essential mechanism for claimants to get help with sometimes-complex claims questions. When claimants cannot easily obtain this help, problems with the claim can linger and delay payments. Even worse, claimants who fail to submit required information properly because they could not get timely guidance by telephone might be improperly denied benefits.

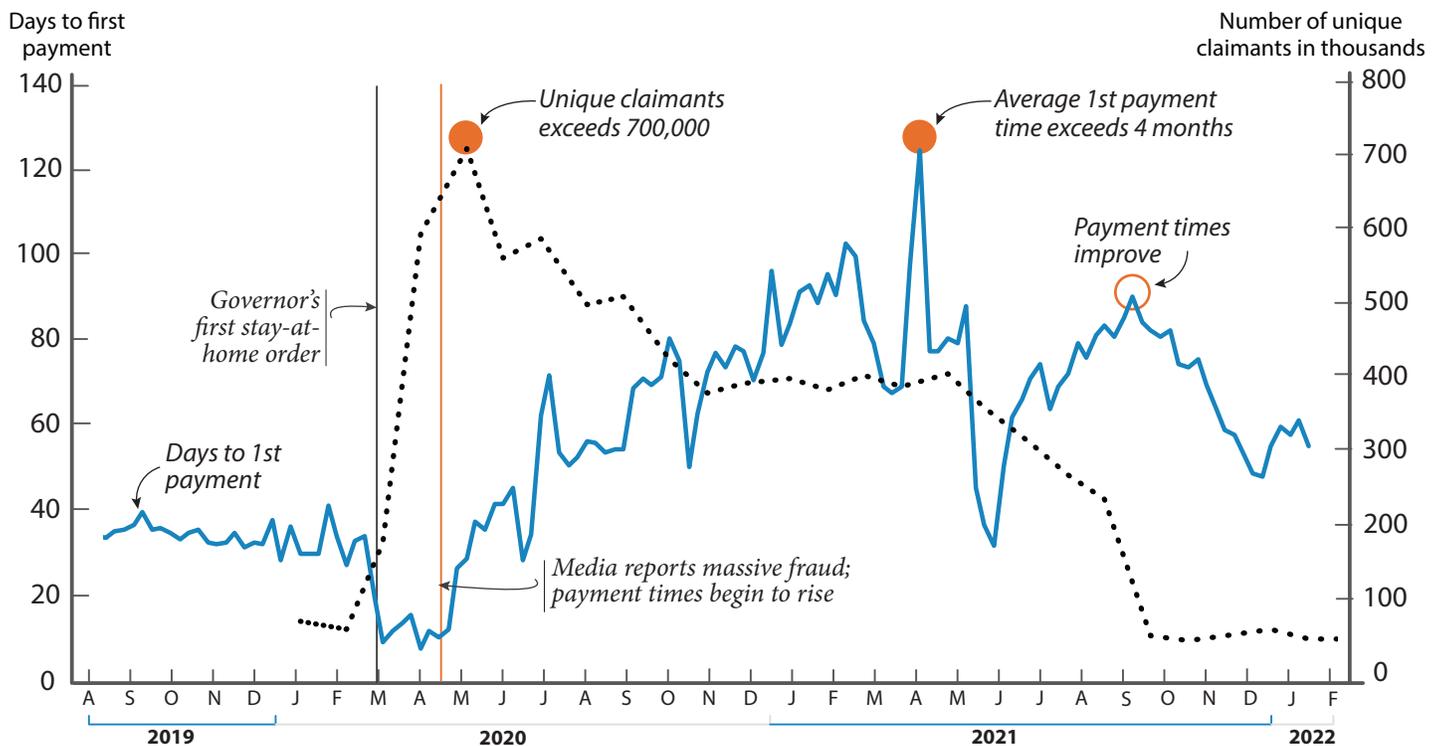
We evaluated trends in these two areas to determine the extent of ESD's customer service issues and when they began to improve. We also looked at trends in staffing and claim volume to help determine what caused the problems.

Payment times worsened until May 2021 and did not show sustained improvement until October 2021

Before the COVID-19 pandemic, claimants typically received the first unemployment benefit payment an average of 30 days after applying for unemployment assistance. The surges of claims during the pandemic saw payment times grow steadily longer until well into 2021; even by February 2022, the wait for a first payment had not yet returned to pre-pandemic norms. As Exhibit 8 shows, payment times in the pandemic’s earliest weeks initially shortened thanks to federal and state waivers intended to get payments to claimants more quickly. In May 2020, after massive unemployment fraud was identified across the nation, including Washington, ESD temporarily halted all payments to prevent further loss of funds. As a result, a backlog of claims quickly developed, which worsened as people continued to file weekly unemployment claims in record numbers. Average wait times for claimants to receive payment peaked in May 2021, when claimants who were paid the week of May 8, 2021, had waited on average more than four months. As a result, a backlog of claims quickly developed, which worsened as people continued to file weekly unemployment claims in record numbers. Average wait times for claimants to receive payment peaked in May 2021, when claimants who were paid the week of May 8, 2021, had waited on average more than four months.

Exhibit 8 – Time in days to first payment of a claim after an application and unique claimants

Monthly data August 2019–February 2022; Black dotted line shows number of unique claimants by month



Source: Data provided by Employment Security Department.

Even though payment times began to improve after May, payments were still slow to go out. For example, during one week in September 2021, three-quarters of all first payments took 50 or more days. That means about 5,000 of the 7,000 claimants who received their first payment that week had been waiting about two months since applying.

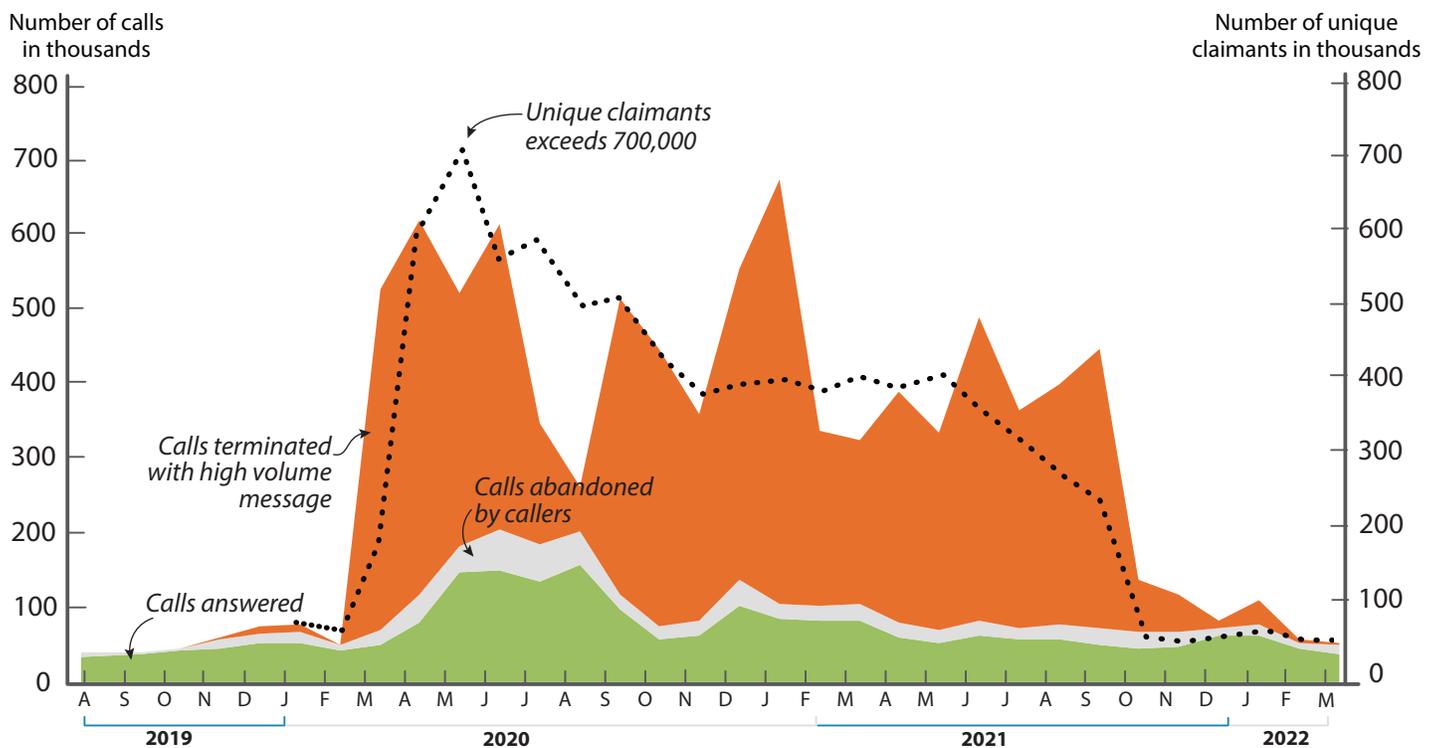
From October 2021 and continuing into early 2022, payment times started to show sustained improvement. Nonetheless, at the start of 2022, the average payment still took more than 50 days compared with about 30 days before the start of the pandemic.

Call center performance also showed no improvement until the very end of 2021

Throughout the pandemic, ESD struggled to answer claimant calls (see Exhibit 9). In 2020 and 2021, about 70 percent of callers received messages that the call center was experiencing high volumes and could not take their call. These callers were not even allowed to hold for an agent. From March 2020 through September 2021, ESD typically answered fewer than 20 percent of calls each month, compared with an average answered-call rate of 81 percent in 2019. ESD’s call center performance began to improve in late 2021, with the answered-call rate improving in early 2022 to about 80 percent, near the pre-pandemic average. However, this does not appear to be due to any change in ESD’s call center strategy but instead to a greatly diminished number of calls resulting from much lower claim volumes.

Exhibit 9 – The number of calls to ESD broken out by answered, abandoned and high call volume messages

Monthly data August 2019–March 2022; Black dotted line shows number of unique claimants by month

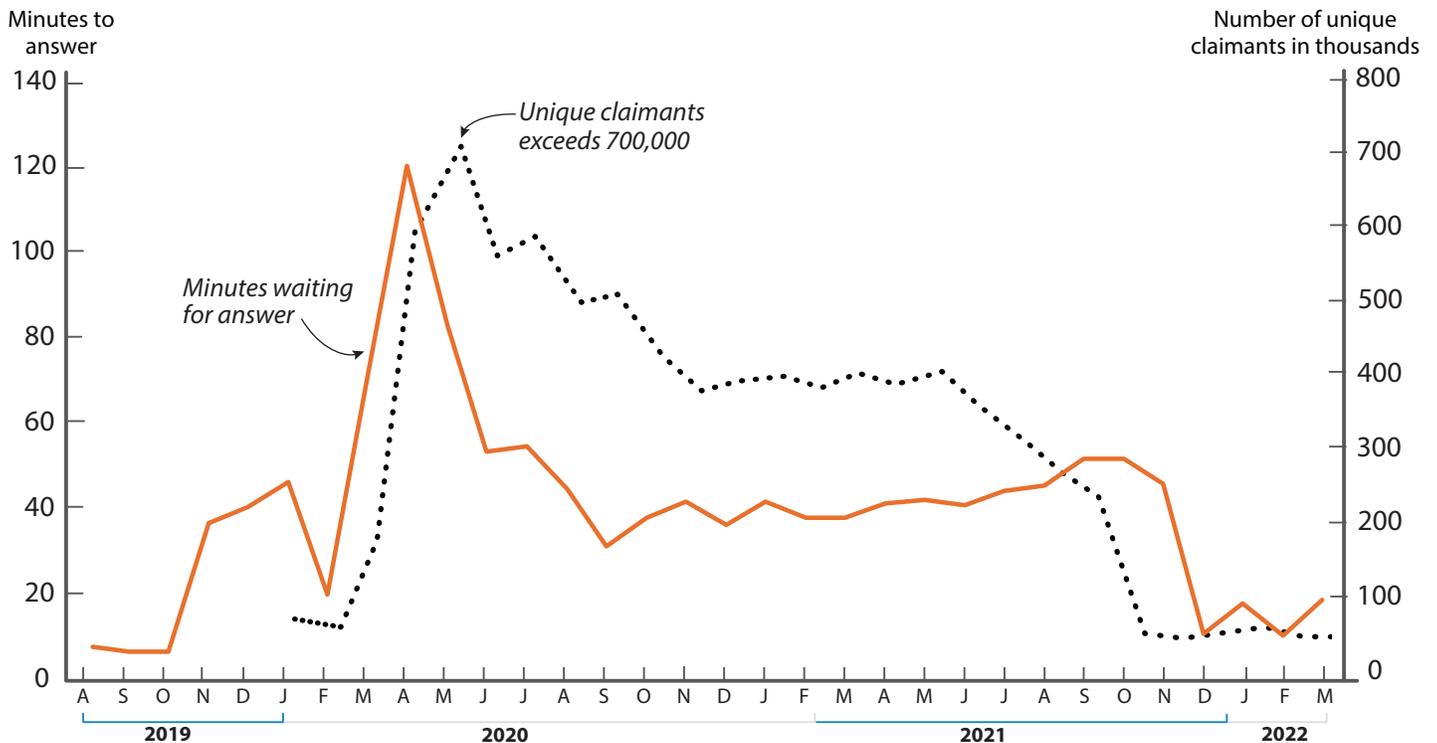


Source: Data provided by Employment Security Department.

Even customers who could get through to an agent often did so after a long wait on hold. As Exhibit 10 shows, hold times reached two hours for the average caller in April 2020 and did not return to pre-pandemic levels until early 2022. ESD tried to reduce the wait by increasing staffing in the call centers; this helped reduce hold time for the remainder of 2020 and throughout 2021. Despite this, the agency could not regain pre-pandemic hold times of 10 to 20 minutes until early in 2022.

Exhibit 10 – Hold times in minutes per call by month

Monthly data August 2019–March 2022; Black dotted line shows number of unique claimants by month



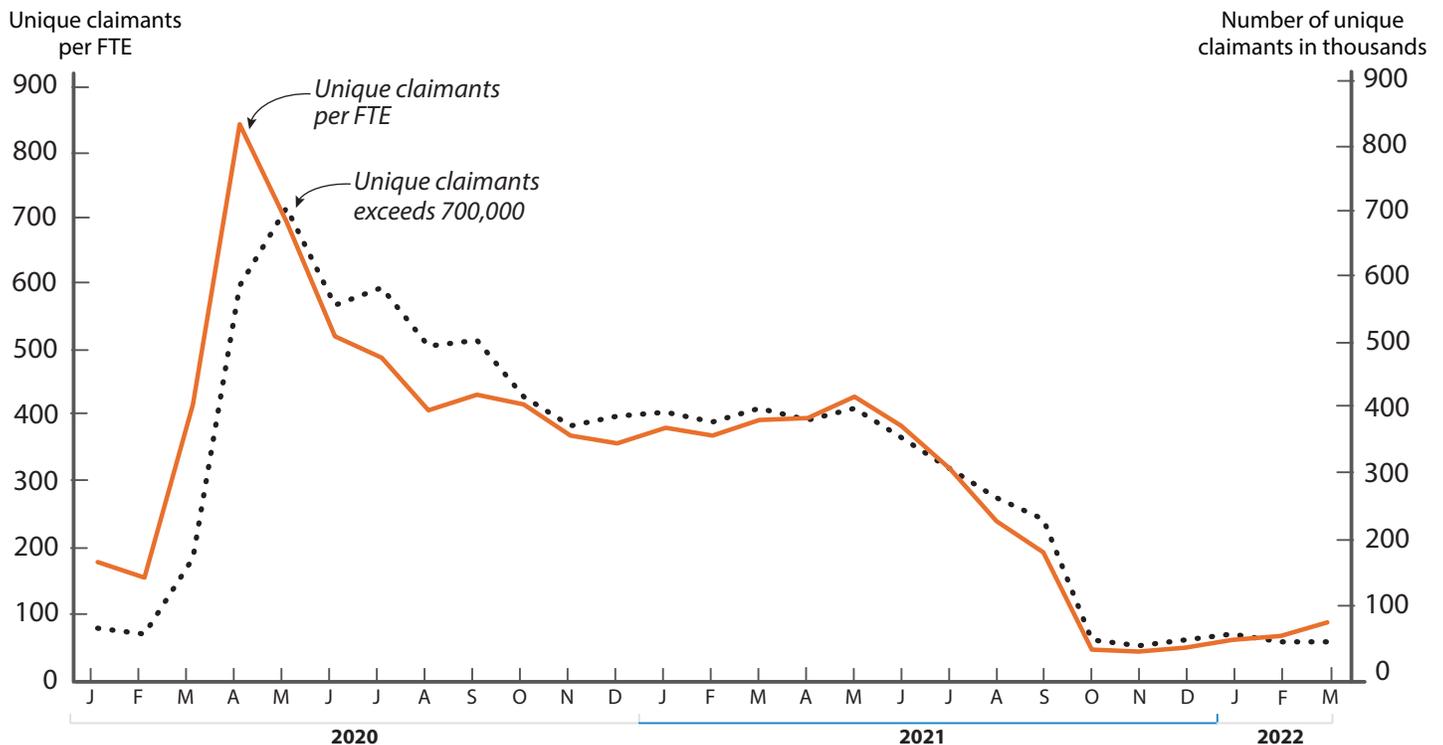
Source: Data provided by Employment Security Department.

These improvements in outcomes for claimants corresponded to a drop in claimant volume

These improvements in outcomes for claimants corresponded to a huge reduction in the number of claimants. The pandemic caused unprecedented increases in the number of people receiving unemployment assistance, and these abnormally high claim levels remained elevated until the second half of 2021. We noted that ESD did not have a performance management strategy in place through the pandemic; how this affected the agency’s performance is described below and in the chapter starting on page 38. Although ESD did dramatically increase staffing in response to the pandemic’s claim volumes, the agency could not return to pre-pandemic staffing ratios until September 2021. By early 2022, once claim volumes had returned to pre-pandemic norms, ESD reduced its unemployment staffing by half. These reductions in unemployment staffing were also driven by reductions in federal funding from pandemic stimulus bills.

In the early weeks of the pandemic, the number of claimants far outstripped ESD’s capacity to manage them. The orange line in **Exhibit 11** shows the ratio of individual claimants to claims staff: At the height of the crisis, each full-time equivalent (FTE) staff position was responsible for more than 800 claimants. ESD ramped up staffing dramatically in response; it also reduced staff levels accordingly once the number of calls and individual claimants fell significantly. The claimant volume fell below January 2020 levels by the end of 2021, which drove the number of claimants for each FTE below what it had been before the pandemic. In January 2020, ESD had roughly 180 claimants to each FTE; in January 2022, it was about 60 claimants for each FTE. The fall in claimants was a great driver in improved performance, as even with increased staffing, performance did not begin to improve until the number of claims drastically decreased.

Exhibit 11 – The number of claimants per FTE by month compared to the number of unique claimants
Monthly data January 2020–March 2022; Black dotted line shows number of unique claimants by month



Source: Data provided by Employment Security Department.

By improving the way it tracks payment timeliness and call center metrics, ESD could more effectively monitor customer service improvement

ESD cannot effectively monitor payment timeliness because its tracking method erroneously assigns negative payment times to some claims

The U.S. Department of Labor requires state workforce agencies to submit payment timeliness data; in addition, they must meet a target of 87 percent of first payments being made within 14 days after claimants serve any applicable waiting periods. Our 2021 audit noted that some of the data ESD provided so we could evaluate payment timeliness included negative payment times, making it appear some claimants had been paid before they applied for unemployment. After telling ESD about this data error, we determined it affected only a small number of claims and assessed payment timeliness by removing these claims from the analysis. However, the most recent data provided for this audit showed more than 20 percent of payments from October 2020 to April 2022 had first payment dates that preceded application dates.

ESD explained that this anomaly resulted from staff reassigning claimants from one claim to another, combined with backdating of claims as allowed by the Pandemic Unemployment Assistance program. This caused some people to appear in the data as though they received a first payment before applying for benefits. In addition, the Department of Labor receives a summary table from ESD rather than raw data, and ESD reports these payments as “less than 7 days.”

As a result, ESD’s method of calculating payment timeliness leads to an underestimate of how long it takes ESD to pay claimants. ESD’s federal reporting understates the time it takes to make payments and makes it appear that ESD is meeting timeliness standards for this subset of payments when it is not. ESD officials said other states had similar problems with federal reporting but could not verify this assertion for auditors.

Although ESD does not report payment timeliness data to the Legislature, its method of querying the data for federal reporting means that ESD is also not accurately tracking this metric internally to effectively monitor its payment timeliness with the aim of improving performance in this area.

At the audit team’s request, ESD revised its data query to correctly calculate how long claimants waited for their first payment. We used the revised data for the analyses in this report.

ESD does not track call center metrics effectively enough to manage performance

ESD's call center serves different customers using different response tools, but the agency's methods for tracking them mask performance management opportunities. For example, the agency bundles employer call center metrics with those of the claimant line. This buries employer-line data because the claimant line produces so many more calls, preventing ESD from adequately monitoring the employer call center.

Neither does it track performance of the call lines serving people with disabilities, which work on a scheduled callback basis. ESD provided performance data from April 24 to May 24, 2022, showing it had received 87 callback requests. ESD said it returned all of them, but it does not track this information. ESD's policy is to return calls within 24 hours.

Another area where ESD's performance management metrics are weak is in understanding staffing targets for the call centers. While ESD maintains staffing targets for its call centers to help meet call demand, it lacks any way to determine whether it is meeting its targets. The agency sets staffing targets based on a standard algorithm used by call centers. But since it does not systematically track its call center staffing data over time, it struggles to monitor performance and ensure it is meeting those targets.

ESD said it can monitor in real time the number of staff on its phones, but the phone system has limitations that make it difficult to understand that staffing at an aggregate level. The system does not produce reports that would allow ESD to track call center staffing data systematically over time. ESD managers said the Unemployment Insurance division instead relies on supervisors to monitor call volume during the day and adjust staffing appropriately. However, this approach does not allow for effective, active planning.

ESD was also missing opportunities to monitor call center performance from the customers' point of view, because it lacked a systematic approach to customer feedback. ESD staff said they only conduct ad hoc analyses on various aspects of their interactions with customers. When asked if the agency used a customer satisfaction survey at the end of calls, staff said the only thing that would indicate the results of a call were qualitative call notes that agents enter in a claimant's record.

ESD said it plans to develop an integrated customer feedback survey that is offered to claimants at key moments to assess their overall satisfaction, but as of July 2022, it had yet to do so.

ESD's efforts aimed at improving customer service have shown minimal results

Results in brief

ESD's benefits management software system generates letters using templates and individualized information. Letters sent during the pandemic confused and alarmed claimants, prompting the legislation that called for improvements. As of July 2022, ESD had improved only a few customer service letters in production for clarity and tone. ESD began revising claimant letters but has made little progress. Those letters it has revised did not fully meet legislative requirements. ESD's website now has a virtual assistant to improve customer service, but it needs further work.

As of July 2022, ESD had only a few improved customer service letters in production

ESD uses letters to tell claimants about the actions to take to receive payments, the status of and any problems with their claim, and how to avoid being charged for overpayments. If claimants cannot understand why they received a letter and what steps they must take, consequences could include payment delays or improper decisions by ESD. Additionally, if letters are confusing or perceived to be threatening, claimants might call ESD with questions, increasing overall demand on telephone lines.

Letters sent during the pandemic confused and alarmed claimants, prompting the legislation that called for improvements

Throughout the pandemic, claimants expressed significant concerns about letters they received from ESD, saying the letters were confusing and frightening in tone. For example, a March 18, 2021, *Seattle Times* article reported that ESD had identified about 55,000 claimants who might have to repay thousands of dollars in benefits they had received. It went on to report that some people had been sent aggressively worded letters threatening legal action and garnished wages if the benefits were not repaid, as the excerpt below shows.

“If you don't repay the full amount or we don't receive a payment ... by Mar 30 2021, we will start legal action against you in superior court,” reads one such notice received last week by a Tacoma-area claimant who was asked to repay nearly \$18,000 in benefits she received last year.

The letter, which was shared with The Seattle Times, warns that once legal action begins, “a lien will be placed on all of your real and personal property,” and adds that the agency may garnish the claimant’s wages, bank accounts and “other property held for you by a third party or obtained through a forced sheriff’s sale.”

ESD sometimes requires claimants to repay some of what they have received after it re-determines their eligibility based on new information. In some instances during the pandemic, ESD erroneously made payments and then demanded repayment even though the claimant might not have been legally required to pay it back, according to the Seattle Times article.

Prompted by these and similar complaints, ESSB 5193 required ESD to make a number of improvements to its communications (see Exhibit 12). Among these improvements, ESD was required to add references to and explanations of pertinent laws in determination and redetermination letters, assure communications are written in plainly understood language and test updates on claimants.

Exhibit 12 – Assure that letters, alerts and notices are comprehensive, clear and readable

● = Fully implemented. ◐ = Partially implemented. ○ = No progress.

Requirement [ESSB 5193 citation]	Implemented?
ESD must designate department employees to assure that:	◐
Letters, alerts, and notices are written in plainly understood language whether produced manually or through ESD’s Unemployment and Tax Benefits (UTAB) system [Sec 3(1)]	◐
Letters...are...tested on claimants before they are approved for use [Sec 3(1)]	●
Criteria for approval must include comprehensibility, clarity, and readability [Sec 3(1)]	●
If the messaging of any these materials falls short of criteria, ESD will consider manual methods of producing a comprehensible version until it can incorporate required modifications in UTAB [Sec 3(1)]	●*
Determinations and redeterminations must clearly convey: Applicable statute numbers, a brief explanation of pertinent law, and an outline of relevant facts, reasoning, decision, and result [Sec 3(2)]	◐

* Note: ESD did consider manual methods so technically met this requirement; however, the agency has not actually implemented any manual methods to update letters.

ESD's benefits management system generates letters using templates and individualized information

ESD generates letters using templates for the various types of letters it sends to claimants; the agency adds pieces of information, which it calls "drop-ins," based on the information provided in the claim. These templates and drop-ins are programmed into ESD's Unemployment and Tax Benefits (UTAB) system. Some templates are used for more than one type of letter. The drop-ins, which deal with claim-specific issues such as the number of hours a claimant worked or the type of work performed, are selected from a paragraph library of 706 items.

ESD began revising claimant letters but has made little progress

ESD's process for revising letters to claimants met the statutory requirement of dedicating staff to work on improving communications with claimants. However, the agency's progress on using revised language in claimant letters has been limited due to a multi-layered review process and limited IT resources available to enter revised materials into the UTAB system.

According to ESD, it began the letters revision project in June 2021, assigning 11 employees to a research team and five to a writing team. These people were drawn from numerous relevant department areas, including those dealing with communications, customer insights, IT/software developers and UTAB testing, as well as policy and legislative implementation. The research team decides what material should be revised; the writing team revises the letters using input from the research team. A primary writer drafts the revised material, which is then processed through several layers of review. Reviewers may include the rest of the writing team, the research team and third parties such as the Northwest Justice Project and the Unemployment Law Project.

After these reviews, ESD incorporates and tests the revised material, for example by showing it to claimants who have volunteered to give their opinions on how understandable it is. Once the writing team incorporates the testing feedback, the material is translated into Spanish. Although ESD conducted user testing with claimants on revised letters, it did not test any Spanish-language letters with claimants.

Once both versions are approved, they are submitted to IT staff to add to the UTAB system. The IT department assigns the task a priority in the queue along with other UTAB projects. Depending on the IT team's workload, adding revised material to UTAB so it can be used in letters to claimants can take considerable time.

Aside from the volume of work in the letter improvement project, two other factors likely contributed to the considerable time and resources ESD has already spent: the absence of a project manager from ESD's Project Management Office and a project tracker. These issues were not remedied until auditors noticed the deficiency in

June 2022, when we observed that ESD staff could not readily quantify the project’s progress. Having these two elements in place could have quickened the project’s progress. ESD has since moved this project from its Government Relations Office to its Project Management Office.

ESD had a total of 154 individual letter types sent from UTAB in 2020. During the first phase of its letters project, ESD prioritized revising several of the most common letter types that went out to claimants. These prioritized letters, consisting of templates and individualized information known as “drop-ins” that provide information on eligibility for benefits, constituted 37 percent of claim-specific letters ESD sent in 2020

In the first phase of its letters project, as of July 2022, ESD has made the following progress:

- Five of five templates were revised and being used in letters sent to claimants
- Nine of 706 drop-ins were revised and being used in letters sent to claimants

ESD officials said they have not yet identified further letter types to revise, but will review and edit letters as necessary. In addition, some letter types, such as Federal Benefits Correspondence which made up 24 percent of letters generated in 2020, are no longer being sent to claimants.

ESD was revising an additional 118 drop-in paragraphs for monetary and nonmonetary determination and redetermination letters as part of the project’s first phase, which it plans to run through December 2023. However, ESD had yet to add them to UTAB. Exhibit 13 shows the status of the templates and drop-ins ESD has been working to revise as of July 2022.

Exhibit 13 – Status of templates and drop-in paragraphs in first phase

As of July 2022

Templates for letters sent to claimants			
Total	Number of templates revised, added to the system and used in claimant letters	Percentage of letters covered by revised templates	Remainder to revise
5	5	About 37 percent	0
Drop-ins that go in the templates			
Total	Number of drop-ins in progress	Number of revised drop-ins added to the system and used	Remainder to revise
706	131	9	566*

* Note: ESD said it might determine that some of the remaining drop-ins do not require revision.

Source: Auditor created based on materials provided by ESD.

Those letters it has revised did not fully meet legislative requirements

Among its communication mandates, ESSB 5193 required ESD to update letters specifically to be readable, clear and comprehensible, but based on a sample of revised letters we reviewed, we found that most of ESD's samples did not meet these criteria. The sample letters can be found in **Appendix D**; Appendix B has more information about our methodology.

We assessed the extent of improvements in the revised templates and letter content using a combination of electronic tools and human reviewers. To assess clarity and comprehensibility, auditors convened a panel of three performance auditors from outside of the audit team to read a sample of five revised letters ESD provided. The panelists then answered questions about how well they understood the letters and what the recipient was being asked to do. The questions were composed and the responses assessed by a member of the audit team who is a subject matter expert in writing. We also scored the sample letters using electronic readability tools (Flesch Reading Ease and Flesch-Kincaid Grade Level).

While the panelists were not representative of the general population due to their comparatively high education levels, we considered that if skillful readers had any difficulties in understanding the letters, most other readers would likely have the same experience. Through these assessments, we found that only one of the revised sample letters passed both the e-tools and panelist reading tests.

Only one of the five revised letters scored well for readability, clarity and comprehension, as determined both by the reader panel and electronic assessments. Four passed either the reader test or the electronic test, and one did not pass using either method.

The readers found the Re-evaluate Claim letter particularly confusing. They singled out four key pieces of information as unclear, raising more questions than answers, as shown in **Exhibit 14** on the following page.

Exhibit 14 – First page of the re-evaluate claim letter after the revisions; arrows indicate information reviewers found unclear

Note: Complete letter is available in Appendix D

Re-evaluate Claim-[number]

Dear [claimant name]

We made a new decision that affects your claim for unemployment benefits. This decision applies to your UI claim, Claim ID [number]. This decision replaces any prior decisions about this particular issue.

Our decision

We had to make a change to your benefits. We're required by law to make sure we pay you benefits from the right program and in the right order. You claimed benefits on more than one program, so our computer system checked your claim [number]. We call this a re-evaluation.

The re-evaluation has caused an overpayment. We found that you should not have received some benefits we paid you in the past. We're sorry, but you must repay those benefits.

You might owe us \$92.00 as a result of this decision.

We paid you too much. This is called an overpayment.

You may be eligible for an overpayment waiver, since we've determined that you're not at fault. If we need more information from you, we'll send you a waiver request form through eServices or by mail.

If you receive the form you need to complete and return it by the due date. If you don't, you must repay the entire amount.

See the Overpayment details table at the end of this letter.

In addition to unemployment benefits, you may have received benefits called Federal Pandemic Unemployment Compensation (FPUC).

If you were denied a full week of unemployment benefits for a week when you received FPUC, you must pay it back. We will send you a separate statement that includes the amount of FPUC.

Search more than 60,000 Washington jobs on WorkSourceWA.com. Visit WorkSource for free employment workshops and expert job-hunting advice. Read the Handbook for Unemployed Workers at esd.wa.gov to find everything you need to know about benefits, including training for a new career.



DETERMINATION LETTER

- Did the letter mean they were eligible for a waiver?
- Would ESD be sending an overpayment waiver form?
- Did they need to do anything to initiate the waiver process themselves?
- Did they need to do anything regarding benefits from federal pandemic relief programs?

ESD updated determination and redetermination letter templates to identify related statutes as ESSB 5193 required, but clearly explained pertinent law in only one drop-in paragraph. These templates identify relevant laws and provide web addresses where the claimant could read those laws. However, the templates include no explanation of those laws as required.

These determination and redetermination templates have at least 118 drop-in paragraphs associated with them, which ESD provided for our review. ESD has been in the process of revising these drop-ins, but has not yet added them to UTAB, so they are not used in claimant letters. Changes to two other drop-ins removed explanations of law. Only one of the 118 drop-ins ESD is in the process of revising included an explanation of pertinent law (see Exhibit 15).

Exhibit 15 – Before and after revision of one drop-in explaining pertinent law

Before revision	After revision
<p>“We applied the value of meals and lodging to your claim because the value is at least 25 percent of your total pay.</p> <p>To read the related rule, visit app.leg.wa.gov/wac and type 192-310-070 in the search box.”</p>	<p>“We added the value of meals and lodging to your claim. The law says we must do this if the value of meals and lodging is at least 25 percent of your total pay.</p> <p>The laws that apply are RCW 50.04.320 and WAC 192-310-070.”</p>

Source: Auditor created based on materials provided by ESD.

ESD’s website now has a virtual assistant to improve customer service, but it needs further work

To create an additional avenue for claimants to ask questions without burdening the telephone system, ESD installed a virtual assistant on its website. A virtual assistant uses artificial intelligence to determine the content of a typed question and select an appropriate answer from a list of preprogrammed responses. Because the virtual assistant is underpinned by artificial intelligence technology, it is supposed to learn the intent of people’s questions over time. Nonetheless, the farther the words used in the question deviate from those anticipated by the programmers, the less likely the answer supplied will be accurate.

We tested the virtual assistant and found it struggled to answer basic questions, including some questions ESD said it had programmed the assistant to answer. In some cases, the assistant did not direct claimants to information available on the agency’s own website.

In May 2022, we asked the virtual assistant 10 primary questions, based on common issues claimants experienced, with variations of wording for each question. As **Exhibit 16** shows, of the ten questions we asked, only two (in **bold**) were answered for all variations. Some variations of the question were answered for five questions, and three did not receive a relevant response. (Appendix B contains a list of all question variations.)

Exhibit 16 – Of the 10 questions asked, only two were completely successful for all wording variations

Question	Successful answer?
Am I eligible for unemployment?	Yes
Why haven't I received a payment yet?	Yes
How do I apply for unemployment?	Partially
Is there a problem with my claim?	Partially
Can I file if I was unemployed for less than a week?	Partially
Why did I get a letter saying I owe money?	Partially
Can I file if I did not work because I had COVID?	Partially
Who can I speak to about my claim?	No
Why did I get a letter that says I'm eligible for \$0?	No
Why did I get a letter saying I was approved for unemployment when I never filed a claim?	No

Source: Auditor created.

Exhibit 17 (on the following page) shows the results for two questions – how to apply for unemployment and who to speak with about a claim – using variations of the same question, and the mixed results we had. The assistant gave relevant responses when asked a question one way but did not when the question used different but similar wording. In addition, when auditors typed in a question about contacting someone at ESD about a claim, the virtual assistant’s reply referred to fax machines.

ESD said the assistant was not yet fully functional due to the nature of virtual assistants, specifically that they depend on machine learning algorithms that improve the assistant’s responses over time. ESD said it plans to increase the assistant’s functionality but could not provide operational plans for how it will do so beyond the project’s initial development phase.

Exhibit 17 – Virtual assistant responses varied widely depending on words used to ask a question

Two ways of asking the virtual assistant how to apply produced helpful results

how do I apply for unemployment

The best and fastest way to apply for unemployment benefits is online. Visit esd.wa.gov/unemployment to learn more about this process. You can also apply for unemployment benefits by calling 800-318-6022 and speaking with an agent.



how do I apply for benefits?

The best and fastest way to apply for unemployment benefits is online. Visit esd.wa.gov/unemployment to learn more about this process. You can also apply for unemployment benefits by calling 800-318-6022 and speaking with an agent.



But using slightly different terms produced less helpful results

how do I file for unemployment?

We encourage you to apply for benefits. After applying for benefits, you are sent an Unemployment Claim Determination letter, which advises if you qualify for unemployment benefits.



how do I claim unemployment

We encourage you to apply for benefits. After applying for benefits, you are sent an Unemployment Claim Determination letter, which advises if you qualify for unemployment benefits.



Asking the virtual assistant to speak with someone produced information that fax is not an option

who can I speak to about my claim

We do not have the ability to accept faxed claims.



who can I call about my claim

We do not have the ability to accept faxed claims.



Source: Auditor created.

ESD does not formally monitor the virtual assistant to ensure it contributes to improvements in customer service. Although the agency tracks some simple statistics on the assistant's usage, it has no way of measuring whether assistant sessions resulted in fewer calls. Monitoring projects through the pilot stage and after they move into operations also helps ensure that the new processes work efficiently and effectively. We address ESD's project management in the next chapter.

ESD does not have a robust performance management structure in place to monitor and improve its customer service

Results in brief

ESD lacks defined or actionable customer service measures tied to its strategic plan, which is a key part of performance management. Three specific activities around customer service in the 2019-21 strategic plan that included steps for establishing baseline data and performance measures were not carried forward into subsequent plans. ESD's short-term strategic plan for 2021-22 included one measure related to customer service and one general strategy for achieving it. However, ESD's draft strategic plan for 2022-26 still lacks defined, actionable customer service measures for achieving goals. ESD's customer service efforts are also disjointed and not tied to broader strategic goals. A better performance management system could help ESD monitor and improve its customer service. Additionally, ESD still lacks an emergency plan for how to better handle future surges in claims.

ESD lacks defined or actionable customer service measures tied to its strategic plan, which is a key part of performance management

ESD has some elements of a good performance management structure, but taken as a whole, it is not robust enough to improve customer service. This is due in part because it was not effectively addressed in the agency's strategic planning. An effective performance management system allows leaders to better serve the public through a set of tools and processes: a strategic plan that has well-defined and actionable performance measures, and processes that link efforts to strategic goals to better determine success.

Three specific activities in the 2019-21 strategic plan that would establish baseline data and performance measures were not carried forward into subsequent plans

ESD's 2019-21 strategic plan contained customer service measures and strategies and connected them to agency goals. The plan also called for the agency to gather baseline customer service data, with deadlines for these three objectives set for completion before the COVID-19 pandemic began.

The plan included these elements:

1. Develop a comprehensive agency survey that establishes a baseline rating for customer satisfaction by July 2019. Use survey results to establish improvement goals for customer satisfaction measures.
2. By January 2020, baseline and track ESD's contributions to state and local workforce boards' efforts to help more people find jobs. Use those insights to then establish performance goals.
3. Complete a gap analysis of our employment system based on feedback from our customers and stakeholders and determine subsequent actions by April 2020.

However, when ESD began developing its strategic plan for 2022-26, it did not retain a goal of gathering the baseline data meant to inform other objectives. The manager responsible for facilitating ESD's approach to current strategic planning efforts said leadership and staff turnover, on top of delays incurred during the pandemic, led the agency to decide against carrying forward any previous efforts for tracking data and gathering baselines, even those that were due for completion pre-pandemic in March 2020.

However, without baseline data, leaders cannot create measures with benchmarking, an important part of an effective performance management system.

ESD's short-term strategic plan for 2021-22 included one measure related to customer service and one general strategy for achieving it

As ESD's previous strategic plan ended in 2021, managers developed a short-term strategic plan to help guide the agency through the pandemic until resources and workloads allowed for more in-depth strategic planning. This short-term plan included one measure related to customer service, with a loosely defined strategy for achieving it:

Measure: "Decrease customers who experience obstacles or delays with their benefits by 5%"

Strategy: "Partner across divisions to continuously improve our culture, methods, tools, and processes with a focus on improving the customer experience."

The plan does not make it clear how the 5 percent change will be measured; what specific action steps the agency could take to ensure change occurs; which specific divisions should work together; or the definitions of "obstacles or delays." Although ESD's quarterly report on this measure stated the agency had achieved it, it was unclear what had been measured to determine that customer obstacles or delays were reduced. The report attributed better performance in removing barriers

for customers to two changes: allowing claimants five additional days to turn in required documentation, and using eServices for fact-finding. Without more detail or specific action steps, such a vague strategy is unlikely to help the agency achieve a measurable goal.

ESD's draft strategic plan for 2022-26 still lacks defined, actionable customer service measures for achieving goals

As of July 2022, ESD had not yet included specific measures that were clearly defined and measurable in its draft 2022-26 agency and divisional strategic plans. For example, one customer service measure states, "We regularly meet defined turn-around times for routine service requests." The measure does not define the terms "regular," "turn-around time" or "routine." ESD provided updated division plans they said included more specific measures than the draft plan, but none of them readily link to items in the draft strategic plan. The division plans that contained measures did not sufficiently define those measures nor include any benchmarking context, while other plans contained no measures at all. Because the agency strategic plan does not include sufficient well-defined measures or incorporate the division plans, ESD cannot be certain it is meeting its goals or customers' needs.

When ESD set out to draft its strategic plan, it did not consult the Office of Financial Management's guidance on performance management, which sets out the minimum performance measures a plan should have. Instead, ESD followed guidance supplied by a specialist consultant in organizational development; the materials the agency worked from lacked key instructions about measure development. This could be one reason why the customer service measures in the draft plan were not defined or actionable. We reviewed the guidance ESD followed and found it did not provide usable information for how to develop well-defined or actionable measures. Although the guidance briefly mentions the need to monitor performance measures, the framework it sets out lacks any steps for establishing measures or details on how to develop them. As a result of following incomplete guidance, ESD's current draft strategic plan is itself incomplete, lacking well-designed performance measures for customer service goals.

ESD's customer service efforts are disjointed and not tied to broader strategic goals

ESD's customer service projects did not include two elements essential for incorporating efforts into a broader strategic approach:

- Reviewing projects in context of overall agency goals
- Transitioning projects into operations for continued monitoring of success

ESD had assessed none of the customer service projects reviewed in this audit in terms of overall agency goals. This limits leadership's ability to ensure all resources are working toward the same goals. And although ESD categorized each project by its relevant strategic plan goal and tracked project progress, no indicators showed how the project was meeting any agency performance measures. For example, a measure that tracks whether the virtual assistant reduces the number of calls or requires a follow-up call could help managers know if it is successful or if course correction is required. The agency also lacks documentation showing that it continued to evaluate customer service improvement efforts after a project transitioned to operations, although ESD's own guidance for project management requires a "transition to operations plan." Leading practices call for management to review measures regularly and use them to improve operations.

The lack of transitional planning was evident in several projects prompted by ESSB 5193. For example, although there is a transition to operations plan for the virtual assistant project (see page 35), the plan lacks future action steps and measures to evaluate success after the project moved into operations. ESD confirmed that none of the finished projects required by ESSB 5193 had "transition to operations" plans. ESD officials explained they prioritized other activities during the pandemic, and planned to complete the transition plans retroactively. However, the plan they said they intend to use as a template for the other projects is the one in place for the virtual assistant, which lacks specific activities or action steps for transitioning a project into operations. When asked about this, project management staff said that developing how to measure success becomes the responsibility of staff in operations after the project's completion.

ESD tracks some measures because other agencies require them, but these are not tied to broader strategic goals. ESD reports on multiple, required, federal and state customer service measures which are not included in the agency's strategic plan. ESD has set no targets or benchmarks for these measures, nor has it assessed how they relate to broader agency goals. For example, ESD reports on whether it meets federal Department of Labor payment timeliness standards, but does not include any interim benchmarks or targets to help get closer to those standards. Therefore, agency strategic decisions do not rely on the performance in these measures to determine the direction of the agency.

ESD relies on reactive correction plans to drive performance rather than more robust proactive plans that could be linked to strategic planning. When Washington falls below standards on federal performance measures, the U.S. Department of Labor requires ESD to create corrective action plans. However, we could not identify an association between these action plans and the agency strategic plan, overarching goals/program objectives, or the measures required in ESSB 5193.

ESD provided these action plans as evidence of a larger performance management system, but it creates these plans as a reaction rather than as part of a more strategic effort for continued improvement. The action plans do not readily connect to

broader strategic objectives, or the strategic plan, as called for by leading practices. Relying on planning that is implemented only after poor performance decreases opportunities to prevent problems.

A better performance management system could help ESD monitor and improve its customer service

A well-designed performance management system should help management link strategic planning efforts, performance measures, project management and monitoring efforts. Leading practices recommend that a strong performance management system include:

- Quality strategic plans with well-defined and actionable measures
- Processes that link measures of success to projects and operations to improve customer service
- Continued monitoring of progress toward success through methods like a customer satisfaction survey

Quality strategic plans help ensure the agency includes all its key processes in a performance management system, and that those processes are logically connected to desired outcomes. Ideally, a customer-facing agency such as ESD should use this approach to determine how its processes contribute to better customer service. The plan should articulate how the agency can use data collected around those processes as performance measures to help ensure it improves customer service.

The resulting performance measures should be clearly defined and reflect all actions and results from inputs through outcomes. Measures should have the context of benchmarking, time-bound measures should have deadlines, and measures used for comparison should be clearly identified and have enough data to determine trends. Finally, agency management should ensure that performance measures are accurate and consistent.

Strategic measures link to projects and operations that have the goal of improving customer service. Agencies can help ensure that all projects and programs are more likely to achieve goals by setting project and program measures that directly show how they support strategic goals. Project managers work to create a product that fits within their organization's strategic goals. They measure success not just on project timeliness and budget but also on how the project helps achieve organizational goals, such as customer service. Program managers review ongoing operations and ensure they create measures that show whether their efforts are helping achieve strategic goals. Upon completing a project, management should assess how the product gets folded into operations. During this handoff, managers determine how success will be measured moving forward and how the product fits within the organization's long-term strategic goals and objectives.

Performance measures regularly monitored through reports and data dashboards. Leaders and managers monitoring performance measures and acting on them is what moves performance measurement into performance management. Otherwise, the effort to create and track them is wasted. Regular reports or data dashboards on selected, key measures should provide leaders with up-to-date and accurate information. Leaders should use this information to determine how to allocate resources and update processes to proactively stave off problems and work toward goals. For example, to understand if changes in customer service tactics are working, ESD could monitor changes in the results of a customer satisfaction survey that is taken by all populations accessing unemployment insurance. For a list of performance measures that could help ESD strategically improve customer service, see **Appendix E**.

ESD still lacks an emergency plan for how to better handle future surges in claims

Like most organizations, ESD had some emergency plans in place before the pandemic, but they quickly proved insufficient to handle the COVID-19 crisis. Although no plans were likely sufficient to handle the unprecedented surge created by the pandemic, the plans available when the massive surge of unemployment claims hit the agency did not include actionable steps necessary to deal with such a surge; steps set out in the plans were insufficient to guide operations. To improve performance in the event of another claims surge will require the agency to have actionable guidance and processes that could be quickly activated during a crisis. Although ESD is updating its disaster recovery planning, work is ongoing.

When asked what plan it would turn to if unemployment claims surged again, ESD managers said they would turn to the agency's Continuity of Operations Plan (COOP). As it was designed to do, the COOP details how ESD would maintain essential functions during events that disrupt its normal operations, such as natural disasters or technological attacks. The COOP does not address what ESD should do specifically when unemployment claims surge.

Furthermore, the manager responsible for the COOP said it was not a useful document during the pandemic's height, describing it as unclear about when and how to activate it, and who was responsible for which activities. They also said that no one consulted the COOP during the pandemic because ESD was in a reactionary mode.

ESD managers told auditors the agency also used its Economic Alert System and Cycle Plan to guide its pandemic response, but that document would not have been usable as a crisis response plan either. Although this plan contained suggestions for some long-term process changes, it had few actionable suggestions for dealing

with a situation like the claims surge created by the pandemic-related layoffs. To the extent the plan had concrete action steps, they related to longer-term planning and maintenance efforts; they were not steps ESD could activate quickly in a crisis. If ESD had completed the long-term process changes before the pandemic, the agency likely would have been in a better position to address the challenges from the surge in claimants.

As of June 2022, ESD still had no usable emergency plan in place. The current COOP is the same one that was in place and unusable during the first days of the pandemic. ESD started a project in February 2022 to revise the COOP, and said the project is about one-third complete as of June 2022; the agency expects to complete it by the end of 2022. ESD said it is updating the Economic Alert System and Cycle Plan, which could better prepare the agency to react if a similar emergency happens in the future. ESD did not provide any other emergency plans that would specifically help it respond to another pandemic-like emergency.

Certain practices helped other states handle increased customer service demands during the pandemic

Results in brief

Experiences in other states offer examples of promising practices that can help maintain good customer service in a crisis. These practices include: designing a system that allows claimants to do as much as possible online; cross-training staff; de-escalation training; adjudication triaging; using data to direct workflows; conducting data analysis to inform decision making; augmenting staffing when necessary; and making the most of external communications opportunities. ESD managers reviewed these practices and said the agency either already does or plans to do most of them.

Experiences in other states offer examples of promising practices that can help maintain good customer service in a crisis

Although all states struggled in the face of the pandemic, some performed comparatively well on federal customer service measures during the height of the pandemic.

To discover promising customer service practices, we identified six states that performed better than Washington, on average, for federal unemployment insurance benefit performance measures over a three-year period (2019-2021). By taking the average over time, we were able to see which states were already performing well and continued to do so through the pandemic, even though all states struggled to serve unprecedented numbers of claims. The performance measures included:

- Payment quality
- Payment timeliness
- Appeal quality
- Appeal timeliness

We ranked each state based on its performance. We then calculated the average ranking for each state within each measure and overall. After averaging 2019-2021 federal performance measures related to customer service, we noted which ranked

in the top 15 and selected states for interviews. Washington ranked 41st. For further details on those performance measures and how we chose states, see Appendix B.

We then contacted the agencies that administer unemployment insurance in these states and asked managers and staff there what they thought helped them ensure good customer service during the pandemic. The people we spoke with described a variety of practices that they said better prepared them going into the pandemic as well as others they implemented during the crisis. They credit these practices with helping them provide better customer service through this crisis. We also spoke with ESD to learn about the feasibility of any of the practices; ESD management said they have done or are planning to do most of them.

Design a system that allows claimants to do as much as possible online, without staff interaction – Minnesota used technology that allowed claimants to provide all information, needed in all unemployment scenarios, online. Staff said they strive to have 100 percent of claimants do so, knowing the actual number will likely be about 80 percent. They stressed this effort was not to avoid talking to customers but to ensure staff were available to talk with those who most need help. Utah did something similar and paired it with end-user testing. Agency staff or representatives observed members of the public using the system, and adjusted it based on what they had learned to ensure the system was clear and intuitive.

Cross-train staff to allow for variations in demand – Several years before the pandemic, Missouri implemented an initiative to cross-train people in the unemployment benefits department. Officials credited this cross-training with their ability to quickly expand staff resources to handle the increased work volume at the pandemic's height.

De-escalation training – Wyoming had frontline staff complete de-escalation training and managers pointed to this as a useful skill for quality customer service when staff are under pressure.

Adjudication triaging – Missouri performed an adjudication triaging project before the pandemic. Their process calls for staff to triage issues for adjudications by complexity, which enabled managers to assign work and match staff and resources to the issue's complexity, delivering greater efficiency and quality of service. Montana's unemployment benefits agency, in response to the Great Recession, reorganized its business model to allow greater flexibility and triaging of cases as well. Managers said they did this by dividing adjudicators into levels based on their expertise and assigning claims accordingly.

Use data to direct workflows, and conduct data analysis to inform decision making – Officials in Minnesota described how their agency's self-service system generated quality data points they could use to see patterns in work beyond those perceived anecdotally. They can then use this information to refine processes. Officials in Illinois pointed to their ability to improve their workflows as part of their performance management system. They said this allowed them to better use their existing staff to address the influx in claims.

In addition to pre-pandemic helpful practices, other states put some new practices in place at the pandemic's height. Below, we describe the most salient practice state officials said helped them maintain good customer service.

Make the most of external communications opportunities – Agencies in Wyoming and Montana hosted virtual town hall meetings where staff could convey the most up-to-date information to many claimants at one time. Wyoming also maintained a presence on social media, which allowed staff to readily correct misinformation. Montana staff also maintained an FAQ.

ESD managers reviewed these practices and said the agency either already does or plans to do most of them

We showed ESD managers the list of activities undertaken in other states, and asked whether the agency did any of them already or considered them feasible for future implementation. Their responses are listed below, but we did not evaluate ESD's activities except for those already evaluated in other sections of this report (indicated with page references).

- **Design a system that allows claimants to do as much as possible online, without staff interaction** – ESD said that claimants currently have access to e-Services, which has self-service features. Managers also mentioned the virtual agent's capabilities, which can answer frequently asked questions, but this virtual agent still has some flaws and does not always answer questions correctly (see page 35).
- **Cross-train staff to allow for variations in demand** – ESD managers said the requirement in ESSB 5193 has been fulfilled by efforts to cross-train staff to prepare for any future surges (see page 14).
- **De-escalation training** – ESD managers said the agency provides this training.
- **Adjudication triaging** – ESD appoints a liaison in each division who serves as a subject matter expert and coordinates requests for triaging cases.
- **Use data to direct workflows and conduct analysis to inform decision making** – ESD said it has been doing this for more than a year. The system can generate a lot of reports which, as we learned, are mostly ad-hoc. Managers also said they can route claims to people who have the appropriate skill level for their workflows. The challenging part has been having enough people with those skills on the job.
- **Using external communications** – ESD managers said they conducted regular webinars and collected questions from participants.

State Auditor's Conclusions

In 2021, the Legislature enacted a series of reforms intended to address customer service issues at the Employment Security Department (ESD). Early in the COVID-19 pandemic, the agency had faced a spike in both the number of unemployed people seeking benefits and the amount of benefits available to support them. This performance audit sought to independently determine whether the agency met the requirements of that legislation and to what extent its customer service had improved.

We found ESD has met or partially met most of the law's new requirements. However, the customer experience appears to have been minimally affected by those efforts. For example, we found that the decline in claims volume as the pandemic has subsided, rather than the agency's strategic changes, has had far more of an effect on the amount of time people wait for their first benefit payment or to talk to a customer service representative. We make recommendations to ESD to help it maximize the results of its reforms, including fully meeting legislative requirements, measurably improving the customer experience, and improving performance management. The agency has faced historic crises and challenges over the past two years, but now has an opportunity – through these reforms – to make lasting improvements for the benefit of Washington's workers.

Recommendations

For the Employment Security Department (ESD)

To address issues with meeting ESSB 5193 requirements, as described on pages 10-21, we recommend ESD:

1. Ensure processes put in place to monitor pool numbers and member information are operating as designed and sufficient to ensure readily available and accurate member information
2. Establish processes to monitor training program outcomes, such as formal evaluations of activated staff
3. Continue working to establish a dedicated telephone line for those with limited computer skills or access
4. Ensure it explores all required areas with the unemployment insurance advisory committee
5. Include all required metrics clearly in reports
6. Update the online data dashboard to include all metrics from ESSB 5193
7. Ensure it is clearly and accurately updating the Legislature on progress made in delivering ESSB 5193 requirements through their regular reporting

To address customer service challenges and the tracking of performance, as described on pages 22-37, we recommend ESD:

8. Track and regularly monitor performance over time of the employer and disability telephone lines and the virtual assistant
9. Capture customer satisfaction more effectively across all avenues of contact and use that information to improve performance. Methods to do so might include:
 - For customers with an email address listed in their account, email a survey after a phone call asking whether the problem was resolved and provide categories of topics that the call dealt with to guide training for staff
 - As part of the survey, ask callers whether they used the virtual assistant function on the website and whether they found it helpful
 - Match survey results to the actual issues existing on a claimant's account at the time to determine what issues drive phone calls

10. Correct federal timeliness reporting to reflect the true date a person applied for unemployment, regardless of program transfers, to ensure accurate federal reporting
 - a. Report publicly on payment timeliness at regular intervals using the new query method ESD created for this audit. Include this information on ESD's public-facing online data dashboard.

To address performance management shortcomings, as described on pages 38-44 and throughout this report, we recommend ESD:

11. Develop a process to better track and monitor customer service. To achieve this, we recommend the process include:
 - a. Developing a strategic plan that includes measures to track customer service outcomes, and shows how those measures, activities and results connect to its goals and customer needs. In developing customer service measures, also implement mechanisms for gathering baseline data to use as benchmarks moving forward.
 - b. Following Office of Financial Management guidance and leading practices to inform its performance management system, including when establishing selected measures. For additional guidance, ESD could also explore the other performance management resources used in the audit (see Appendix B, objective 3.)
 - c. Tracking projects intended to improve customer service to ensure they are completed in a timely manner and achieve their intended purpose
12. Implement systematic tracking of call volume and call center staffing levels over time. This system requires:
 - a. Regular reports to management and leadership with enough detail to effectively inform staffing decisions
 - b. Confirmation ESD is meeting the call center staffing targets dictated by its staffing algorithm
13. For each project, ensure:
 - a. It aligns with agency strategic planning at the start of the project
 - b. Continued assessment of project performance is built into the final transition to operations part of the project so agency leaders can assess the value to business processes, including measures to show success toward furthering agency goals at its completion
 - c. Project plans contain enough detail to show what has been completed as well as the timelines and priorities for future project work

Agency Response



STATE OF WASHINGTON

December 13, 2022

Honorable Pat McCarthy
Washington State Auditor
P.O. Box 40021
Olympia, WA 98504-0021

Dear Auditor McCarthy:

Thank you for the opportunity to review and respond to the State Auditor's Office performance audit report, "Evaluating Customer Service at Washington's Department of Employment Security." The Employment Security Department (ESD) and Office of Financial Management (OFM) worked together to provide this response.

We appreciate the work of the performance audit team. The pandemic exposed serious gaps in service and access to unemployment insurance. It is more important now than ever to ensure our agency is held accountable to fix these issues and instill confidence that we are ready to respond to a future crisis. We, too, hold ourselves deeply accountable to this. As a result, in the past year and a half, ESD has:

- **Begun implementing a new phone system.** Set to launch in April 2023, this will provide vastly improved service and accessibility on the phones, as well as more sophisticated data collection to understand customer experience and aid in decision making.
- **Revised eligibility letters.** We revised all of the text in the letters and are conducting customer testing to ensure these edits meet their needs. Revised letter templates were completed in May 2022.
- **Be better prepared for the next crisis.** This includes standing up a reserve adjudication pool of more than 480 people. This reserve corps is prepared to help ESD manage claims if another unemployment crisis occurs.
- **Increasingly engaged directly with the community.** We are reaching out directly to customers through formal user experience testing, pilot projects through our WorkSource centers, and expansion of the agency's community engagement arm.
- **Launched data dashboards to provide program transparency.** We regularly update data so the public knows how the program is performing.

The pandemic has wound down significantly, but the effects of it are far from over. The governor lifted the emergency order only weeks ago. The issues made apparent by this crisis will take time to unwind and eliminate, but the work is underway.

We disagree with many of the conclusions documented in this report. The overarching assessment made is that call-wait and processing times have primarily improved because claim volumes have dropped. It was inevitable that these measures would improve due to a 10-fold reduction in claims, coupled with the elimination of five additional federal pandemic-era programs. However, the work we have undertaken to improve our customers' experience, as articulated throughout the attached action plan, is far more robust than the audit suggests.

Honorable Pat McCarthy
December 13, 2022
Page 2 of 2

Critical context was missing in key areas and the audit largely fails to recognize ESD's improvement activities beyond requirements mandated by Engrossed Substitute Senate Bill 5193. For example:

- The audit states ESD cannot effectively track call center metrics enough to manage performance. We provided a proven and detailed staffing model to auditors. Decisions about staffing on phones are made using real-time data.
- The audit completely misses the robust strategic planning efforts underway at the agency. We are taking a transformative, long-term approach to improving how people receive accessible, safe and equitable services.

We fully acknowledge the work to improve customer service for unemployment insurance is ongoing. Yet for the stated audit objectives, we have met many of the requirements, and in other cases, have surpassed them. For gaps that remain, the work that is in motion will continue to improve customer experience and crisis readiness. We are committed to being transparent and communicating our progress and challenges.

We thank you again for the opportunity to discuss these issues and welcome further conversation any time.

Sincerely,



Cami Feek
Commissioner
Employment Security Department



David Schumacher
Director
Office of Financial Management

cc: Jamila Thomas, Chief of Staff, Office of the Governor
Kelly Wicker, Deputy Chief of Staff, Office of the Governor
Nick Streuli, Executive Director of Policy and Outreach, Office of the Governor
Emily Beck, Deputy Director, Office of Financial Management
Mandeep Kaundal, Director, Results Washington, Office of the Governor
Tammy Firkins, Performance Audit Liaison, Results Washington, Office of the Governor
Scott Frank, Director of Performance Audit, Office of the Washington State Auditor

OFFICIAL STATE CABINET AGENCY RESPONSE TO PERFORMANCE AUDIT ON EVALUATING CUSTOMER SERVICE AT WASHINGTON'S DEPARTMENT OF EMPLOYMENT SECURITY – DECEMBER 13, 2022

The Employment Security Department (ESD) and the Office of Financial Management (OFM) provide this management response to the State Auditor's Office (SAO) performance audit report received on November 16, 2022.

SAO PERFORMANCE AUDIT OBJECTIVES

The SAO's performance audit evaluated how ESD improved customer service since its' April 2021 audit and the passage of Senate Bill 5193, effective July 25, 2021, through July of 2022. The audit had four objectives:

- Has ESD met the requirements of the customer service legislation passed during the 2021 legislative session?
 - To what extent has the agency improved its customer service since that session?
 - Does the agency have a quality performance management structure in place for monitoring and improving customer service on an ongoing basis?
 - Were there practices in other states that resulted in better customer service related to unemployment benefits during the pandemic?
-

Recommendations to the Employment Security Department in brief:

SAO Recommendations 1-7 to address Engrossed Substitute Senate Bill 5193 requirements and findings that *As of July 2022, ESD had partially implemented legislative requirements aimed at helping speed payments and increase transparency:*

1. Ensure processes put in place to monitor pool numbers and member information are operating as designed and sufficient to ensure readily available and accurate member information
2. Establish processes to monitor training program outcomes, such as formal evaluations of activated staff
3. Continue working to establish a dedicated telephone line for those with limited computer skills or access
4. Ensure it explores all required areas with the unemployment insurance advisory committee
5. Include all required metrics clearly in reports
6. Update the online data dashboard to include all metrics from ESSB 5193
7. Ensure it is clearly and accurately updating the Legislature on progress made in delivering ESSB 5193 requirements through their regular reporting.

STATE RESPONSE: ESD disagrees with **Recommendations 1 and 2**. We have a process to monitor reserve adjudication pool numbers and members, as well as processes to monitor training program outcomes. The process has proven sufficient to ensure readily available and accurate member information so that we can quickly respond to a claim workload surge. The reserve adjudication pool is comprised of trained adjudicators who can start work within a week of activation and help to meet high needs. The Unemployment Insurance (UI) program is a key safety net for individuals and families and is an essential economic support for communities and our broader economy. Lessons learned from the COVID pandemic

have driven actions within our agency to ensure a better response to future economic downturns or crises, including establishing a well-monitored and prepared adjudication pool.

We are still learning and improving. During the audit, a discrepancy was discovered between the reserve adjudication pool numbers included in the report to the Legislature and the report reviewed by the auditors. This uncovered that the Learning Management System (LMS) wasn't the optimal tool for reserve adjudication pool recordkeeping because, once a state employee leaves state service, their LMS profile becomes inactive. This results in an undercount in reserve adjudication pool numbers and outdated contact details. In response, ESD immediately established consolidated procedures to monitor the reserve adjudication pool. The *Reserve Adjudication Pool Standard Operating Procedure - ESSB 5193*, updated July 11, 2022, outlines ESD's pool monitoring, outreach, and recruitment processes to ensure ESD can activate sufficient pool members when needed. Additionally, we will use the certified training record roster maintained by the National Association of State Workforce Agencies (NASWA) and cross reference it with an internal ESD reserve adjudication pool roster. This ensures ESD can monitor reserve adjudication pool numbers and reach members when needed.

We partnered with NASWA to provide effective and cost-efficient training to former and current Washington state employees who make up the reserve adjudication pool. As of October 31, 2022, 488 trainees were fully NASWA-certified. The total includes temporary employees who have left state service and are now private citizens, staff who have transitioned to other state agencies, and some permanent ESD employees who could be assigned to adjudication duties. ESD and OFM partnered to identify other state agencies whose staff could be called on to support adjudication work. ESD has an interagency agreement with the Health Care Authority to increase the reserve adjudication pool, providing an additional 50 people. Health Care Authority staff training for the reserve adjudication pool is slated for fiscal year 2023.

We agree that an evaluation procedure is necessary to ensure trainees have successfully learned new material. We have one in place. NASWA is the national organization representing workforce agencies in all 50 states, Washington D.C. and U.S. territories. It provides policy expertise, training, certification, and shares best practices of state workforce agencies. The NASWA Learning team is comprised of Adult Education and Instructional Design experts who provide cutting edge adult learning methods and practices. Its training programs and certifications are trusted for their effectiveness and used across the United States and by other unemployment agencies. With the established training, reserve adjudication pool size, and continued monitoring, we are well positioned to quickly respond when claim volumes demand higher staffing levels.

The nationally recognized NASWA curricula for initial certification training is the initial training for the pool. Upon completion of the initial training, reserve adjudication pool members must pass an exam to achieve certification. ESD's standard operating procedure includes refresher training requirements to maintain pool members' certification, ensuring readiness for activation. Additionally, we designed training modules targeting specific areas of highest need when claim volumes surge. These training modules were developed using data gathered during the pandemic, identifying areas that needed immediate support. The evaluation process for training includes exams, proficiency knowledge checks, and formal documented evaluation of work once released to a work unit. The result of the reserve adjudication training plan is newly activated adjudicators who will provide meaningful support a week after activation. While we agree with the recommendation that established processes to monitor training program outcomes such as formal evaluations of activated staff are needed, we disagree that "the agency has not yet established any formal mechanisms to ensure the training is operating as designed."

In March 2021, ESD conducted a pilot that included the NASWA and ESD trainings outlined above. The pilot tested the reserve adjudication pool training with interns and the National Guard. Evaluation of training outcomes were tested, and adjustments were made from key learnings. The results of the pilot demonstrated that the training was successful. New adjudicators demonstrated proficiency, consistent

quality and accuracy. Contrary to what is stated in the audit, we have an effective training program in place that we will continue to test, monitor and improve to meet future needs.

With regard to **Recommendation 3**, and the SAO's statement that "no progress" has been made on this phone line (referenced on page 17, regarding the requirement in ESSB 5193, Section 3(4) to establish a dedicated telephone line for those with limited computer skills or access), we disagree. This phone line was established in the third quarter of 2022. It will serve in the interim until the new UI customer phone system is launched in 2023. The number is available to Claims Center and WorkSource staff who provide it to claimants identified as needing dedicated access.

As we understand it, the intent of this requirement was to improve access and support for those with limited proficiency in, or access to, technology. Publishing the number broadly will result in the phone line used by callers not part of the target audience, making it difficult or impossible for those who really need it to reach us. We know this from our experience during the pandemic, as does anyone who tried to reach ESD during the height of the crisis.

Instead of taking a "check the box" approach to this requirement, we conducted a study with customers in this target audience. The purpose of the study is to understand the experience of customers with technology barriers, identify how that differs from the experience of other customers, and use this data to make meaningful improvements for these customers.

The research project team:

- Conducted direct customer interviews to understand the barriers to service.
- Created customer journey mapping to identify barriers to access. Customer journey maps are used to identify and implement improvements.
- Conducted data analysis to understand how call volumes over time impact this population.

Next, we will:

- Solicit feedback from the Unemployment Insurance Advisory Committee (UIAC) and community advocacy groups on necessary improvements to enable this population to access services.
- Assess the current support systems established pre-pandemic for necessary improvements.
- Partner with our contracted UI customer call center phone system vendor to build the dedicated line into the new system.
- Work with UIAC and other stakeholders and service providers to identify how to best share the dedicated line information to preserve its use for the target audience.

In addition to the dedicated phone line, we have existing (pre-pandemic) support for these customers.

- ESD employees and WorkSource partner staff at WorkSource Centers are trained to provide meaningful UI assistance to customers. This is required under the Workforce Innovation and Opportunity Act (WIOA).
- Tier 1 and Tier 2 staff provide support in person, over the phone, and via live chat to customers, including claimants that have limited access to technology or limited proficiency.
- Tier 1 support provides general information to help UI claimants understand the claims process and take advantage of self-service information:
 - Help customers understand the claims filing process.
 - Explain the meaning of a question on the UI application.
 - Help customers locate information referenced in UI correspondence.
 - Provide general information to claimants about their responsibilities.

- Direct claimants to online tools and resources, such as the Handbook for Unemployed Workers.
- Inform customers about work search requirements.
- Direct customers to a UI Claims Center direct phone line available only through WorkSource.
- Tier 2 staff are ESD employees who have received additional UI training. These “UI Ambassadors” help customers complete initial applications and navigate additional steps in their claims:
 - Help customers set up Secure Access Washington/eServices.
 - Help customers file a “Basic” UI claim.
 - Reopen a claim.
 - Help customers file a weekly claim.
 - Provide additional services for special programmatic efforts.
 - Review and escalate hardship requests when appropriate.
 - Review and schedule call backs (complex claims/questions).
 - Answer general UI questions.

We agree with **Recommendation 4** and completed it on November 8, 2022. We consulted with the UIAC regarding the required frequency of initial and continued training for members of the reserve adjudication pool. While this concluded ESD’s consultation requirements under the legislation, we will continue to provide updates and review the established thresholds triggering automatic staffing adjustments, language access, training needs for reserve adjudicators, and caseworker approach for unemployment claimants.

We continue to have regular dialogue with the Unemployment Insurance Advisory Committee, above and beyond this requirement. We also engage in frequent dialogue with advocacy groups, including the Unemployment Law Project (ULP) and Northwest Justice Project (NJP), to help inform changes that better serve customers. We use the feedback from our stakeholders to inform system and process changes that better meet our customers’ needs.

While we disagree with **Recommendation 5** that all the required metrics were not reported, we agree to improving the presentation of the metric reporting so that it’s easier to understand. SAO identified 25 separate metrics versus the 20 metrics reported by ESD. In the agency roll-up reporting, we combined both employer and claimant queues reporting as Claims Center call metrics resulting in 20 metrics reported. We will report employer and claimant calls separately on the existing online data dashboard by March 2023.

SAO stated that, in its opinion, reporting is unclear on claims denied, claims pending in adjudication, and claims on which payment has been halted for review. We recognize the complexity in reported metrics and included definitions in the quarterly reports. These definitions aim to provide clarity on the distinction between initial approval or denial of an application versus the ongoing requirement to maintain eligibility by filing weekly claims. Because eligibility status can change week by week, statistics provided on total weekly claims paid, pending payment, and not paid are the most accurate representation of claimants’ receipt of benefits. The quarterly report data shows the status of weekly claims filed by month. Because eligibility is determined each week and not for the entire benefit year, people may have weeks in all three categories. We have at all times included required metrics in our reports and will show this in clearer fashion going forward for ease of understanding, though nothing was incomplete or misleading in our earlier reports.

We agree with **Recommendation 6** and will publish all statistics included in the quarterly report online. Because the legislation does not specify which data elements should be published in an online dashboard, we published statistics that have been of most interest to stakeholders and claimants. We will publish the complete data set, recommended by SAO, beginning in March 2023. Additionally, we will monitor

how often the online data dashboard is visited and will solicit feedback from customers, UIAC and stakeholders to ensure it is meeting their needs.

We have provided timely and accurate reporting on ESSB 5193 requirements through the quarterly reporting process. We agree with **Recommendation 7** that of the 25 metrics for reporting in multiple areas, we did not timely address in our report one of four consultation requirements regarding establishing a pilot caseworker approach for unemployment claimants. Although the consultation was completed in 2021, it was not reported until the first quarter of 2022. Additionally, ESD noted that one required consultation had not yet been completed when the audit was concluded. That consultation regarding the frequency of initial and continued training for adjudication pool members was completed with the UIAC in November 2022 and documented in the update for the third quarter of 2022. As such, all required reporting is complete.

The report includes a detailed section about unemployment letters. The work to revise the letters is in the advanced stages and aligns with legislative requirements (ESSB 5193). While the SAO makes no recommendations on the letters, there are numerous issues and inaccuracies in this section of the audit report. Some clarifications are outlined below.

1. **SAO drew conclusions about readability by consulting its own auditors and without checking with unemployment customers.** The SAO did not have people outside of their office assess the letters for readability. Its methodology for assessing whether letters were “readable, clear and comprehensible” was to use its own auditors. The legislation requires customers to review the letters and drop-ins to ensure they meet their needs. This is a process we have done and continue to do as we revise the letters and drop-in text. Conclusions drawn by the SAO relative to readability were therefore subjective, rather than based on data from customers.
2. **Dedicated project management and tracking resources exist.** There were and continue to be project management resources dedicated to the letters project, and the work is being tracked. We did switch project managers last summer, but support had been present throughout the project.
3. **SAO misunderstands ESSB 5193 letter requirements and ESD letters.** Auditors stated that ESD clearly explained pertinent law in only one drop-in paragraph and that only one of 118 drop-ins included an explanation of pertinent law. In fact, ESD has reviewed and edited, as necessary, hundreds of drop-in paragraphs that are *themselves* the explanation of pertinent law. These explanations are plain-talked, readability tested, and tested with customers. The legal citations associated with each drop-in are consolidated in a separate section because user testing showed that most readers are overwhelmed if they are presented with too much legal information.

We do not dispute that the work of updating these letters was necessary. As of this response, the agency has completed first-round editing of all monetary and non-monetary determination letters and drop-ins. The content is being vetted with customers and stakeholders. After adjusting content based on customer and stakeholder feedback, the letters will be finalized and put into production. Additional refinements will be ongoing, including a second revision to the reevaluate claim letter highlighted in the report, which we noted was an interim step until a larger project on the reevaluate claim process can be completed.

Action Steps and Time Frame:

- Consult with UIAC on the required frequency of training for adjudication reserve pool members. *Completed November 8, 2022.*
- Report employer and claimant call metrics separately in the data dashboard. *By March 2023.*
- Incorporate existing UI Claims Center dedicated call line serving people with limited technology access and proficiency into new phone system. *By April 2023.*
- All metrics to address ESSB 5193 published in the online data dashboard. *By April 2023.*

SAO Recommendations 8-10 to address customer service and tracking performance and findings

that Customer service improved as staff workload declined; and ESD's efforts aimed at improving customer service have shown minimal results:

8. Track and regularly monitor performance over time of employer and disability telephone lines and the virtual assistant
9. Capture customer satisfaction more effectively across all avenues of contact and use that information to improve performance. Methods to do so might include:
 - For customers with an email address listed in their account, email a survey after a phone call asking whether the problem was resolved and provide categories of topics that the call dealt with to guide training for staff
 - As part of the survey, ask callers whether they used the virtual assistant function on the website and whether they found it helpful
 - Match survey results to the actual issues existing on a claimant's account at the time to determine what issues drive phone calls
10. Correct federal timeliness reporting to reflect the true date a person applied for unemployment, regardless of program transfers, to ensure accurate federal reporting
 - a. Report publicly on payment timeliness at regular intervals using the new query method ESD created for this audit. Include this information on ESD's public-facing online data dashboard

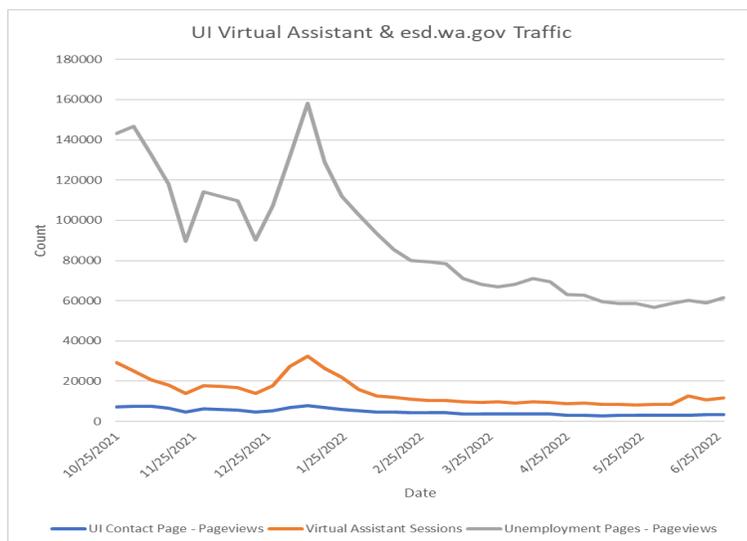
STATE RESPONSE: We disagree with the SAO's assessment of ESD's customer service improvements and **Recommendation 8**. We track and monitor performance over time of employer and disability telephone lines and the virtual assistant.

Multiple channels support claimants with disabilities and those who require reasonable accommodation – all are tracked and monitored. These include the dedicated phone line, email, staff training, and ESD's Equal Opportunity Office. Currently the dedicated call line serving claimants with disabilities is tracked manually. The manual tracking also includes requests made through email. Additionally, we have an internal dashboard for tracking claimants approved for reasonable accommodations. Requestors who do not meet criteria for a reasonable accommodation or who do not respond to our attempts to contact them are tracked on a spreadsheet noting that outcome. The new UI phone system will include statistics regarding the dedicated call line serving people with disabilities and the automated calls provided.

We currently track and monitor the same metrics for the employer call line as we do for the claimant phone line. The detailed call volume and service level statistics including calls received, calls answered, calls abandoned, average call length, average call wait time, high call volume counts, and individuals served. The data is used to inform how staffing is assigned to phones for best coverage. We will display employer and benefit call data separately on the existing online data dashboard by March 2023.

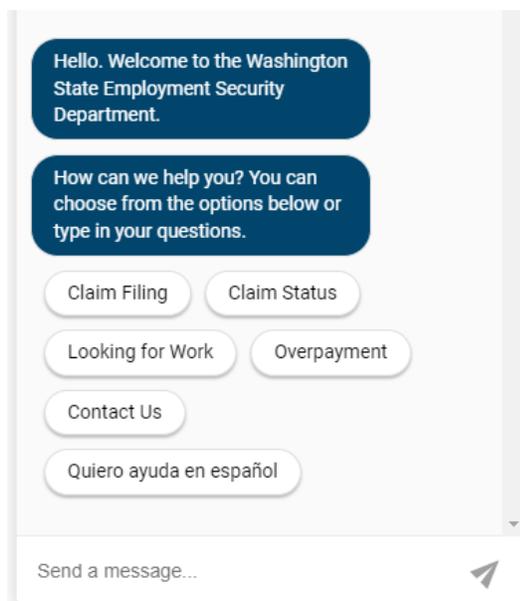
We also monitor the Unemployment Insurance Virtual Assistant system to ensure it contributes to improvements in the customer experience. We capture data to measure performance over time and make improvements based on the results of the data. The metrics were in place at Phase 1 launch on October 4, 2021 and continue to be evaluated today. We disagree with the statement on page 37 "...it has no way of measuring whether assistant sessions resulted in fewer calls." The UI Virtual Assistant usage changes with overall UI page views on esd.wa.gov. Exhibit A demonstrates that users choose the virtual assistant during high demand periods more often than seeking call center contact information. While the overall virtual assistant satisfaction model is still new and in continued development, this demonstrates a preference by some users to seek support outside of business hours or through alternative modes to calling or emailing.

Exhibit A



We agree that the UI virtual assistant needs continued refinement. The exhibit on page 37 of the audit left out an important element of the UI virtual assistant design. To add value to the user and because UI virtual assistant is in early stages, we use common categories to guide customer inquiries. This means the customer doesn't have to try multiple ways of asking a basic question to get the response they are looking for (see exhibit B). While the current outcome from asking the virtual assistant "how do I claim unemployment" or "who can I call about my claim" produced less helpful results when tested by the auditor, the options listed for customers to select will produce helpful results.

Exhibit B



An operational plan to increase the UI virtual assistant’s functionality exists. As the UI Virtual Assistant team operationalizes its work at the completion of the project, it will:

- Review the data captured.
- Draw insights and customer pain points from what they learn.
- Interview users directly to understand what their experience is like.
- Make data informed recommendations about what needs to be improved and where opportunities exist to improve customer outcomes.
- Build a product roadmap to communicate to the rest of the organization which of these opportunities will be pursued now, next and later.

We agree with **Recommendation 9** and have been actively engaged in this work since before the pandemic. We have a robust strategic planning process that incorporates customer satisfaction. Our strategic plan uses customer satisfaction as a measure of success toward the goal of people receiving accessible, safe and equitable services at the right time, in the way they need it. The plan prioritizes the action to gather insights from our customers facing the most barriers and identify the most critical improvement areas. We currently measure customer satisfaction in a number of ways (outlined below). We are also prioritizing the implementation of additional cross-agency customer satisfaction measures to achieve our strategic goals, specifically identified as a condition for our success.

We currently monitor and respond to UI customer feedback in the following ways:

- *Quarterly Customer Experience Panel*
A panel of active or recently active unemployment insurance claimants who volunteer to participate in quarterly customer experience research activities, like reviewing changes to letters, new application questions, and more.
- *Call volume and trends*
A data set that includes the number of calls, as well as the wrap-up codes Claims Center agents assign to their call.
- *eServices feedback survey*
A basic feedback survey in eServices presented to users at the end of a small number of interactions, like replying to some fact-finding questions.
- *On-site search terms on esd.wa.gov*
A data set that includes the search terms users entered into the search bar on esd.wa.gov.
- *UI Virtual Assistant volume and trends*
A data set that includes virtual assistant sessions, the transcripts of individual sessions and the user’s satisfaction with the session.
- *Qualitative data from community, partners and stakeholders.*

Additionally, we are developing an integrated customer feedback survey that will be offered to claimants at key moments in their journey. The survey will assess overall satisfaction and satisfaction of important components of their experience. We will roll this out in phases starting in the first quarter of 2023.

We disagree with **Recommendation 10** to correct federal timeliness reporting because this general requirement does not reflect why the reporting was incorrect. The inaccuracy in federal first pay timeliness reporting was caused by specific, pandemic-era Pandemic Unemployment Assistance (PUA) requirements. This established most PUA claims with an effective date of February 2, 2020, and therefore allowed many claimants to backdate their claims to February even if their initial application for benefits was weeks or months later. The standard Employment Training Administration (ETA) timeliness report for regular benefits was not designed to capture these one-time program requirements.

We acknowledge inaccuracies tied specifically to pandemic-era reporting and designed a custom query to correct these errors. Because this program ended, it is no longer appropriate to use the custom query for ongoing reporting purposes. We will report timeliness per federal reporting requirements.

ESD works in close partnership with the U.S. Department of Labor (USDOL) to report unemployment insurance statistics through a wide variety of ETA reports. That partnership includes audits, data validation of required reports, and a formal quality improvement process if data issues are uncovered. We will continue to work directly with USDOL to ensure high quality reporting in the future.

Action Steps and Time Frame:

- Transition employer and disability customer phone lines to the new phone system. *By April 2023.*
- Implement phase one of the integrated customer feedback survey. *By March 2023.*

SAO Recommendations 11-13 to address performance management and finding that ESD does not have a robust performance management structure in place to monitor and improve its customer service:

11. Develop a process to better track and monitor customer service. To achieve this, we recommend the process include:
 - a. Developing a strategic plan that includes measures to track customer service outcomes, and shows how those measures, activities and results connect to its goals and customer needs. In developing customer service measures, also implement mechanisms for gathering baseline data to use as benchmarks moving forward
 - b. Following Office of Financial Management guidance and leading practices to inform its performance management system, including when establishing selected measures. For additional guidance, ESD could also explore the other performance management resources used in the audit
 - c. Tracking projects intended to improve customer service to ensure they are completed in a timely manner and achieve their intended purpose
12. Implement systematic tracking of call volume and call center staffing levels over time. This system requires:
 - a. Regular reports to management and leadership with enough detail to effectively inform staffing decisions
 - b. Confirmation ESD is meeting the call center staffing targets dictated by its staffing algorithm
13. For each project, ensure:
 - a. It aligns with agency strategic planning at the start of the project
 - b. Continued assessment of project performance is built into the final transition to operations part of the project so agency leaders can assess the value to business processes, including measures to show success toward furthering agency goals at its completion
 - c. Project plans contain enough detail to show what has been completed as well as the timelines and priorities for future project work

STATE RESPONSE: We do not agree with the SAO's assessment of ESD's strategic planning structure. We disagree with **Recommendation 11, item a**. The strategic plan already includes measures that will be used as performance indicators or provide movement toward the goals included in the plan. The plan looks to the future and is focused on movement toward a long-term vision for a more equity, people, and customer-focused ESD.

The strategic plan includes multiple measures of customer service. It also includes measurement of customer satisfaction as a condition for success, which will be included as projects along with the actions in the strategic plan.

The new strategic plan captures many of these elements in new and more detailed ways, including:

- Establish a team to focus entirely on cross agency customer satisfaction, utilization research and customer insights.
- Create a cross-agency view of program utilization and non-utilization by customer demographics, industry, income, language, and location to gain a better understanding of customer populations that are experiencing barriers to accessing services.
- Gather insights from our most barriered customers and identify the most critical improvement areas.
- Conduct usability and accessibility research on ESD’s customer-facing technologies.

The new strategic plan includes extensive customer research actions including those listed above and others. Those actions are intended to impact goal level measures, primarily in the third goal area, "People receive accessible, safe, and equitable services at the right time, in the way they need it." We will know that we are moving toward that goal based on these performance indicators:

- Fewer of our customers get stuck trying to access benefits for which they qualify.
- Our customers are more satisfied with the services they receive from ESD.
- More customers can effectively get what they need through self-service.
- Access and outcomes for workers and employers in Washington are more consistent across demographics.

We disagree with the opinion in the audit that "...ESD’s draft strategic plan for 2022-26 still lacks defined, actionable customer service measures for achieving goal" (page 38). We have defined actionable customer service measures in our overarching strategic plan. Those measures are intended to drive performance in multiple divisions and programs at ESD including UI, Paid Family and Medical Leave, and Employment Connections. The customer service metrics that are more specific to our programs are reflected in our operational plans in each division, not at the agency level. Operational plans and operational performance measures are integrated into division-level plans, which the agency is in the process of finalizing in response to the 2022-2026 strategic plan. The division-level plans are robust and will address any concerns about lack of definition in the agency’s overarching strategic plan. It is typical that specific measures and steps are incorporated in division-level plans. This is an effective means of achieving and improving performance.

We disagree with **Recommendation 11, item b**. Our approach does align with leading practices and is in alignment with OFM guidance. Our strategic planning approach is strategic, rather than operational or tactical, and meant to be more durable and transformative. While we don’t contest that a more consolidated and comprehensive approach to performance management across the agency is appropriate, we do contest that all operational performance metrics should be housed in the strategic plan and disagree with the assertion that the strategic plan is deficient as a result of not including them. Cascading plans at the divisional and project levels are more appropriate for operational and tactical planning.

We disagree with this statement on page 40: "As a result of following incomplete guidance, ESD’s current draft strategic plan is itself incomplete, lacking well-designed performance measures for customer service goals." It is important to make a distinction and to note that per OFM's guidance, "While the strategic plan document has certain uses (documenting decisions and as a communication tool, for example), it is not an end in itself. The most valuable part of the agency’s plan is the periodic

process of confirming goals, assessing progress toward an outcome, evaluating what is effective and what is not, and adjusting strategies to improve performance.”

ESD's plan acknowledges our need to rethink how we deliver services and focuses our attention on equity, customer insight, process efficiency and investing in our people. We believe investment in these areas are critical to improved program performance. Customer service goals in specific processes and programs are an extension of the measures included in the plan.

The current performance management system has three components that are connected by the overarching strategy:

1. **Strategic plan** (defines our agency performance) – The goal is to provide the agency clarity, direction, focus and organizational alignment.
2. **Portfolio management** (projects supporting agency strategy) – The structures, tools and processes used to facilitate decision making and risk management for a portfolio or set of portfolios. This includes managing information required to support portfolio governance including project status, resource needs and constraints, and prioritization. All projects are reviewed at intake and in prioritization/governance for alignment with the strategic plan.
3. **Quarterly Target Reviews** (assessment of agency progress against our strategic plan) – QTRs create a mechanism for quarterly conversations around common problem areas, overcommitments and organizational capabilities. They are a review of measures we are tracking linked to agency or divisional goals.

ESD agrees with **Recommendation 11, item c** because we already do this. The governance/project portfolio process considers how projects fit within the strategic plan, as well as provides a structure for these projects to report on measurable outcomes. Each project is evaluated on its impact to equitable service delivery, customer experience, organizational efficiency, operational cost and other criteria in our strategic plan. Portfolio project governance allows us to understand, and make visible, the overcommitment of resources. This allows us to make necessary adjustments to complete projects on time. Primarily as a result of the pandemic, we have been required to look for creative ways to support the many improvements and requests identified by the Legislature, USDOL and our customers.

Prioritized projects are formally tracked on the Project Management Office dashboard, along with project health and status. This is made visible and monitored through portfolio leadership meetings, steering committees for each portfolio, weekly project priority meetings and Quarterly Target Reviews.

We disagree with **Recommendation 12**. We currently track detailed call volume and service level statistics including calls received, calls answered, calls abandoned, average call length, average call wait time, high call volume counts, and individuals served. The data is used to inform how staffing is assigned to phones for best coverage. We acknowledge that reporting shortcomings exist in the current phone system preventing effective verification of historical staffing data, but that doesn't impede our ability to manage call demand to staffing levels. In April 2022, we contracted with a vendor to replace the UI customer call center phone system. The new phone system, going live on April 30, 2023, will have the ability to provide historical staffing data.

We disagree with **Recommendation 12, item a** because we currently do this. In December 2021, the Unemployment Insurance Customer Support division (UICS) began redesigning its operational data presentations into a multi-level Power BI dashboard to provide reporting to management and leadership to inform them of operational decision making, including staffing decisions. We implemented an unemployment insurance dashboard on September 15, 2022. The dashboards provide executive level monthly results reviews, weekly staffing status updates and daily operations level phone, and non-phone metrics. The metrics in the dashboards link to the strategic plan and we will ensure the link is clearly

documented. We will incorporate the operational measure review into the portfolio steering work, Top Priority Project Review and the Quarterly Target Review, beginning March 31, 2023.

We disagree with **Recommendation 12, item b**. We provided the staffing model to the audit team and explained that it is used to estimate demand for services and ESD's capacity to handle demand. The model was most recently updated in 2022 as we looked at staffing models to support call volumes and non-phone work in the call center. The 2022 model for staffing targets to support calls was based off comparisons with the 2019 workload. The model uses the Erlang C staffing model, an industry standard for call centers.

Staffing assumptions included:

- 146 permanent Unemployment Insurance Specialists 1, 2 and 3
- 71.5% utilization rate, 104 effective staff available
- Allocated staff to keep non-phone work current in the month created
- Model A at 85% of calls answered within 20 minutes
- Model B at 85% of calls answered within 30 minutes

We currently track detailed call volume and service level statistics including calls entered, calls answered, calls abandoned, average call length, average call wait time, high call volume counts, and individuals served. In September 2022, we moved the call data tracking to the Power BI platform, creating a dashboard for leaders to use in workload planning. We have call coverage schedules and monitor staffing levels supporting calls in real time, making staffing level adjustments to support call volumes throughout the day. We also track and assign a large volume of non-phone work performed by the same pool of staff answering the phones. UICS management currently use all data available through the dashboard and from system reports to make phone and non-phone intake staffing allocation decisions and to determine priority adjudication workloads. Staffing coverage decisions between phone and non-phone services will continue to be a balancing act as workload and demand fluctuate.

We disagree with **Recommendation 13, item a** because this is our current practice. Historically, in our project governance process, every agency project has been linked to an agency strategic goal. These include goals implemented during the pandemic – as demonstrated in the project charter and in the internal Project Management Office (PMO) reporting dashboards.

Currently, the governance/project portfolio process around the ESD strategic plan for 2022-2026 considers how projects fit within the strategic plan as well as provides a structure for these projects to report on measurable outcomes. Each project is evaluated on its impact to equitable service delivery, customer experience, organizational efficiency, operational cost and other criteria in our strategic plan. In this way, we are able to determine how new initiatives are contributing to agency performance and, since it is a major emphasis/goal of the strategic plan, customer service improvement.

This method also acknowledges that not all projects are done directly in support of the strategic plan. For example, updated requirements to our programs that come from the federal or state government may not be linked directly to our strategic plan, but they must still be developed into a project and implemented. It is important that we can see the balance of projects that are directly supporting and activating the strategic plan and those that are not. Additionally, this portfolio governance model allows us to understand, and make visible, the overcommitment of resources. Primarily as a result of the pandemic, we have been required to look for creative ways to support the many improvements and requests identified by the Legislature, USDOL and our customers.

Finally, all projects are prioritized based on impact and effort and those prioritized projects are tracked on the PMO dashboard in Smartsheets, along with project health and status. This alignment is made

visible through portfolio leadership meetings, steering committees for each portfolio, weekly project priority meetings and Quarterly Target Reviews.

ESD agrees with **Recommendation 13, item b**. The PMO oversees the creation of an operational handoff plan as a part of the overall project plan, as illustrated by the UIVA project. Following operational handoff, the Operations team is responsible for operating the initiative and for measuring its performance. While ESD tracks whether the collection of projects in a portfolio have been completed and whether the projects contributed to achieving the agency strategic plan measures collectively, we could improve the tracking of the individual projects past completion and whether the project met its targeted improvement goal after launch and transition to operations. Those improvement goals could be captured and tracked in the operational plans and dashboards more consistently. This will better demonstrate to stakeholders that we are achieving our strategic goals.

We partially agree with **Recommendation 13, item c**. SAO only evaluated the project approach on the letters project and ESSB 5193, not all of our agency's projects. We have a detailed project plan approach used by the PMO that aligns with Project Management Institute and Office of the Chief Information Officer standards, but some of the projects reviewed were managed outside the PMO standards. Our approach to those projects needed improvement, increased visibility, better understanding of resource constraints, professional project management support, and appropriate governance structure. We rectified all those issues, and the projects are currently on track.

Action Steps and Time Frame:

- Include federally mandated operational measures in division level operational plans, tied to the agency strategic plan. *By January 2023.*
 - Incorporate operational measure review into the portfolio steering work, Top Priority Project Review and the Quarterly Target Review. *By March 31, 2023.*
-

State Auditor's Response

As part of the regular audit process, our Office gives the audited agency a final draft of the report and offers management the opportunity to respond. Those responses are included in the published audit report. We appreciate the Employment Security Department's review and consideration of our findings and recommendations, even though agency officials may not agree with a number of them.

Our conclusions and subsequent recommendations are based on evidence ESD provided during the audit period, which concluded in July 2022. Activities described in ESD's response were not assessed as part of this audit if they took place after July 2022.

ESD officials say the agency's actions were sufficient to address either our audit criteria or the intent of our recommendations. However, when we reviewed the agency's response regarding actions that it took before July 2022, we did not see any new information or evidence that we had not already evaluated during the audit.

We encourage ESD to implement all our recommendations as stated. They are intended to improve the agency's processes and help it better manage performance.

We affirm our findings and recommendations as presented in the report.

Appendix A: Initiative 900 and Auditing Standards

Initiative 900 requirements

Initiative 900, approved by Washington voters in 2005 and enacted into state law in 2006, authorized the State Auditor’s Office to conduct independent, comprehensive performance audits of state and local governments.

Specifically, the law directs the Auditor’s Office to “review and analyze the economy, efficiency, and effectiveness of the policies, management, fiscal affairs, and operations of state and local governments, agencies, programs, and accounts.” Performance audits are to be conducted according to U.S. Government Accountability Office government auditing standards.

In addition, the law identifies nine elements that are to be considered within the scope of each performance audit. The State Auditor’s Office evaluates the relevance of all nine elements to each audit. The table below indicates which elements are addressed in the audit. Specific issues are discussed in the Results and Recommendations sections of this report.

I-900 element	Addressed in the audit
1. Identify cost savings	No.
2. Identify services that can be reduced or eliminated	No.
3. Identify programs or services that can be transferred to the private sector	No.
4. Analyze gaps or overlaps in programs or services and provide recommendations to correct them	No.
5. Assess feasibility of pooling information technology systems within the department	No.
6. Analyze departmental roles and functions, and provide recommendations to change or eliminate them	No.

I-900 element

Addressed in the audit

7. Provide recommendations for statutory or regulatory changes that may be necessary for the department to properly carry out its functions	No.
8. Analyze departmental performance data, performance measures and self-assessment systems	Yes. The audit reviewed ESD's performance management system.
9. Identify relevant best practices	Yes. The audit identified practices used by other states to help them perform more successfully throughout the pandemic as well as performance management practices recommended by OFM and scholarly sources.

Compliance with generally accepted government auditing standards

We conducted this performance audit under the authority of state law (RCW 43.09.470), approved as Initiative 900 by Washington voters in 2005, and in accordance with generally accepted government auditing standards as published in *Government Auditing Standards* (July 2018 revision) issued by the U.S. Government Accountability Office. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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Americans with Disabilities

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Appendix B: Objectives, Scope and Methodology

Objectives

The purpose of this performance audit is to determine how ESD has improved customer service since the end of the audit this office published in April 2021 and the passage of ESSB 5193 to identify areas of improvement. It also evaluates ESD's preparedness for another crisis. The audit addresses the following objectives:

1. Has ESD met the requirements of the customer service legislation passed during the 2021 legislative session?
2. To what extent has the agency improved its customer service since that session?
3. Does the agency have a quality performance management structure in place for monitoring and improving customer service on an ongoing basis?
4. Were there practices in other states that resulted in better customer service related to unemployment benefits during the pandemic?

For reporting purposes, the audit results have been organized into key findings. The messages relate to the original objectives as follows:

- As of July 2022, ESD had partially implemented legislative requirements aimed at helping speed payments and increase transparency (pages 13-21) – This finding addresses Objective 1.
- Customer service improved as staff workload declined (pages 22-28) – This finding addresses Objective 2.
- ESD's efforts aimed at improving customer service have shown minimal results (pages 29-37) – This finding addresses Objective 2.
- ESD does not have a robust performance management structure in place to monitor and improve its customer service (pages 38-44) – This finding addresses Objective 3.
- Certain practices helped other states handle increased customer service demands during the pandemic (pages 45-47) – This finding addresses Objective 4.

Scope

This performance audit focused on ESD's customer service as it related to the pandemic response in unemployment programs. We did not examine customer service related to unemployment program taxation or responses to employer needs except in the limited capacity outlined in ESSB 5193, which

required ESD to report on its employer call center performance among other customer service metrics. The audit did review the agency's:

- Progress in implementing provisions of ESSB 5193
- Progress in improving customer service operations related to unemployment insurance compensation
- Performance management system related to customer service

The performance audit also identified practices used by other states that helped them deliver better customer service compared to Washington. The audit reviewed portions of ESD's project management and emergency planning processes but did not include a full review of either function.

The audit period covered April 2021 through July 2022.

Methodology

We obtained the evidence used to support the findings, conclusions and recommendations in this audit report during our fieldwork period, March 2022 to July 2022, with some additional follow-up work afterward. We have summarized the work we performed to address each of the audit objectives in the following sections.

Objective 1: Has ESD met the requirements of the customer service legislation passed during the 2021 legislative session?

To address this objective, we conducted interviews and reviewed related documentation, such as quarterly legislative reports and committee meeting minutes, to gain an understanding of progress ESD made implementing provisions of ESSB 5193. To verify member information within the reserve adjudicator pool, we also reviewed a random sample of 55 out of 312 people who had completed the training, comparing listed email addresses to the state's Active Directory of current employees. We did not extrapolate these numbers to the entire population of reserve adjudicator pool participants in the audit report.

Objective 2: To what extent has the agency improved its customer service since that session?

To address this objective, we interviewed ESD personnel and reviewed relevant data to gain an understanding of how customer service had improved. We examined four areas in particular, listed below.

Payment timeliness

To determine if payment timeliness improved, we requested data from ESD with a start date at the end of the previous audit's period through December 2021. This data included the date that claimants first applied for unemployment and the date that they were first paid. We appended this data set to older data used in the first audit.

In that audit, we noticed that a small number of payments appeared to have been paid before the claim had been submitted, due to the method ESD used to pull the data. We deemed it a minor data reliability problem at the time because it affected a small number of payments. In this audit, the results of ESD's method affected a larger portion of the payments, so we asked ESD to revise the data query. This revised data set is more accurate than older data, but because the number of affected payments in the older data set used in the previous audit is small, we are comfortable that the data is consistent enough to include them in a combined analysis.

We grouped payments by week and payment time to analyze the time it took to pay claims, then calculated the average time for payment for each week.

Call center evaluation

In the previous audit, we received weekly call center data from January 2018 through December 2021 that included the:

- Number of calls that received high call volume messages
- Number of calls abandoned by the caller
- Number of calls answered
- Average weekly hold time

For this audit, we also obtained publicly available data from the Unemployment Insurance Advisory Committee (UIAC) meeting minutes that included this information starting in January 2021. We combined these two datasets together to analyze trends over time. To convert the weekly data into monthly data, we created a 30-day average. For this reason, our data before January 2021 does not represent the actual number of calls in a month but the 30 day average, which could slightly differ depending on the month.

To determine hold times for the month, we multiplied the average hold time by the number of calls answered to get the total minutes on hold for the month. We then converted that into a 30-day average, before dividing by the total calls answered to determine the average hold time.

Claimant communications

To determine the extent to which claimant communications improved, we reviewed ESD's work to improve letters through July 2022, including testing an ESD-provided sample of updated templates and letter content for clarity, readability and comprehension. The samples included two sets of templates that lacked the more-detailed drop-in information; we chose to review only the full letters, not the templates lacking drop-in information.

To assess clarity and comprehensibility, auditors convened a panel of three performance auditors outside of the audit team to read a sample of five revised letters ESD provided. Those readers then answered questions about how well they understood the letters and what the recipient was being asked to do. The questions were composed and the responses assessed by a member of the audit team who is a subject matter expert in writing. We also scored the revised sample letters using electronic readability tools (Flesch Reading Ease and Flesch-Kincaid Grade Level). To determine the progress ESD has made in improving letters, we reviewed ESD documentation and interviewed ESD staff and management. We wanted to learn which of the letter templates and associated content, known as drop-ins, had been revised, reviewed and added to ESD's Unemployment and Tax Benefits (UTAB) system and actually sent to claimants.

Virtual assistant

To determine if the virtual assistant helped improve customer service, we gained an understanding of ESD's work to implement the assistant and tested it ourselves. We selected 10 primary questions, each with variations in wording, to ask the assistant based on auditor knowledge of basic questions claimants would ask, as shown in **Figure 1**. We also chose questions based on the programming work ESD said it had done to date and the topics they had programmed the assistant to answer. We also asked some questions that we knew had not been programmed but were simple questions that claimants would be likely to ask.

Of the multiple questions posed, the virtual assistant answered *all* variations for only two questions and *some* variations for five of the questions; it did not provide *any* relevant response for three questions.

Figure 1 – Full list of 10 questions and variations posed to ESD's virtual assistant and the results

Question in **boldface** shows the intent of all variations in each group

● = Fully answered. ◐ = Partially answered. ○ = Wrong or no answer.

Question	Successful reply?	Question	Successful reply?
How do I apply for unemployment?	◐	Is there a problem with my claim?	◐
How do I apply for unemployment?	●	Is there a problem with my claim?	○
How do I claim unemployment?	○	I have a problem with my claim	●
Where do I apply for unemployment?	●	What is wrong with my claim?	○
How do I file for unemployment?	○	Question	Successful reply?
How do I apply for benefits?	●	Who can I speak to about my claim?	○
Question	Successful reply?	Who can I speak to about my claim?	○
Am I eligible for unemployment?	●	Who can I call about my claim?	○
Am I eligible for unemployment?	●	I have a question about my claim	○
Do I qualify for unemployment?	●	I need help with my claim	○
How can I find out if I'm eligible for unemployment?	●	Who can I contact about my claim?	○
Question	Successful reply?	Who can I talk to about my claim?	○
Why did I get a letter that says I'm eligible for \$0?	○	What phone number can I call about my claim?	○
Why am I eligible for \$0?	○		
How can I be eligible but for \$0?	○		

table continues on the next page

Figure 1 – Full list of 10 questions and variations, *continued*Question in **boldface** shows the intent of all variations in each group

● = Fully answered. ◐ = Partially answered. ○ = Wrong or no answer.

Question	Successful reply?	Question	Successful reply?
Why did I get a letter saying I owe money?	◐	Can I file if I did not work because I had COVID?	◐
Why did I get a letter saying I owe money?	○	Can I file if I did not work because I had COVID?	○
Why do I owe money?	●	I didn't work because I had COVID	●
How come I owe money?	●	I had COVID. Can I file for unemployment?	○
Question	Successful reply?	Question	Successful reply?
Can I file if I was unemployed for less than a week?	◐	Why did I get a letter saying I was approved for unemployment when I never filed a claim?	○
Can I file if I was unemployed for less than a week?	○	Why did I get a letter saying I was approved for unemployment when I never filed a claim?	○
I was unemployed for less than a week. Am I eligible?	●	I did not file a claim but received a letter	○
Am I eligible if I was unemployed for less than a week?	●	I did not file a claim but was approved for benefits	○
Question	Successful reply?	Why did I receive a letter?	○
Why haven't I received a payment yet?	●		
Why haven't I received my payment?	●		
When will I receive my payment?	●		

Our virtual assistant testing involved a non-random, non-scientific sample of questions claimants might pose to the virtual assistant. It was a testing exercise and cannot be generalized to any customer's experience. However, it shows problems the virtual assistant had in answering some questions that we thought claimants were likely to ask.

Objective 3: Does the agency have a quality performance management structure in place for monitoring and improving customer service on an ongoing basis?

To address this objective, we interviewed ESD staff and reviewed related documentation to gain an understanding of ESD's performance management processes in place during the audit period, as those processes relate to unemployment insurance customer service. We reviewed previous strategic planning processes, including those in place before and during the pandemic, to gain an understanding of how those performance management activities affected customer service at the time. We did not review work on the 2022-2026 draft strategic plan that occurred after July 2022. We compared ESD's efforts to performance management leading practices.

Sources of performance management leading practices:

- State of Washington Performance Measure Guide by the Office of Financial Management Budget Division November 2019
- Performance Measures: Getting Results, Second Edition by Harry P. Hatry
- A Guide to the Project Management Body of Knowledge, Sixth Edition

Objective 4: Were there practices in other states that resulted in better customer service related to unemployment benefits during the pandemic?

To address this objective, we obtained information from responding states that we identified as having performed better on average than Washington did relating to unemployment insurance benefit processes as reflected in federally required performance measures that were applicable to the audit scope and objectives.

The performance measures included:

- Payment quality
- Payment timeliness
- Appeal quality
- Appeal timeliness

We ranked each state based on its overall average annual performance for the listed performance measures for years 2019-2021. We calculated the average ranking for each state within each measure and then overall to determine the final rankings.

To select states, we also considered factors such as the amount of year-to-year performance change, whether states met federal performance targets, any awards received or leading practices identified in reports, similarity to Washington in terms of unemployment system and demographics and better performance in a particular area (for example, Missouri performed worse than Washington for appeal quality but better overall for all appeal measures).

We then contacted states and asked them to share practices that helped them perform better than other states during the pandemic, including practices in place before and put in place during the pandemic. We did not confirm information provided by other states, but we did receive feedback from ESD on the practices provided.

As shown in Figure 2, the information we gathered came from seven states that, based on average state rankings for 2019-21 federal performance measures related to customer service (see above), ranked in the top 15. Washington ranked 41st.

Figure 2 – Rank of states selected based on federal measures averaged over three years and their population estimates

Rankings based on 2019-2021 averages; Population estimated at July 2020

State	Average ranking of all federal customer service measures	Average ranking of all appeals performance measures	Average rankings of all payment performance measures
Minnesota	1	2	1
Montana	2	2	3
Utah	3	1	7
Wyoming	4	8	4
Illinois	7	10	10
Missouri	14	27	5
Washington	41	36	36

Source: Rankings based on auditor analyses of federal Unemployment Insurance customer service performance data.

Work on internal controls

Internal controls were significant within the context of the audit objectives, specifically related to:

- **Crisis planning and performance management:** We evaluated how ESD prepares for a crisis that would stretch resources and involve a large increase in claims. ESD told us that two documents lay this out, the Continuity of Operations Plan and the Economic Cycle Plan. We evaluated whether these plans could be used by ESD to respond to a future crisis like the recent pandemic as well as how ESD could have used them to respond in March 2020. We also evaluated ESD's performance management by comparing its strategic planning and performance measures to best practices.
- **Training:** ESSB 5193 required ESD to develop a reserve adjudicator program to have people at the ready to handle adjudicator work in the agency. We looked at the quality of the training ESD provides to these reserve adjudicators and evaluated whether ESD had monitoring processes in place to ensure accurate member information.
- **Plain talking of system-generated letters:** To gain an understanding of and assess ESD's process for revising its letters to claimants, we reviewed ESD's Letters Project Charter and a spreadsheet ESD provided outlining all the steps in its process to revise the letters, and interviewed ESD staff and management. Additionally, we assessed whether the revised letters could be understood by auditors outside of the audit team who had less familiarity with the program.

- **ESD's evaluation and responsiveness to customer call feedback:** We evaluated whether ESD conducts analysis to determine whether claimants who call ESD feel their questions were answered as well as collecting data on call outcomes. ESD does not conduct any systematic analysis of this, so there was no control for us to evaluate.

Appendix C: Detailed results of ESSB 5193 reporting requirements

[ESSB 5193](#) included specific requirements for ESD to report on multiple performance metrics, to publish an online data dashboard, and to make various updates to the Legislature. **Figures 3 and 4** provide detailed results of ESD's related progress.

Figure 3 – Detailed results of ESD's compliance with ESSB 5193 requirements to report on metrics and publish an online data dashboard

Specific metric	Addressed clearly		ESSB 5193 citation
	in reports	in dashboard	
<i>Claimant claims center measures (5 measures)</i>			
Claims center abandoned calls	Yes	Yes	Sec 4(2)(c)
Claims center all circuits busy messages	Yes	Yes	Sec 4(2)(c)
Claims center call volume	Yes	Yes	Sec 4(2)(c)
Claims center hold times	Yes	Missing	Sec 4(2)(c)
Claims center repeat calls	Yes	Missing	Sec 4(2)(c)
<i>Employer claims center measures (5 measures)</i>			
Claims center abandoned calls	Unclear	Unclear	Sec 4(2)(c)
Claims center all circuits busy messages	Unclear	Unclear	Sec 4(2)(c)
Claims center call volume	Unclear	Unclear	Sec 4(2)(c)
Claims center hold times	Unclear	Missing	Sec 4(2)(c)
Claims center repeat calls	Unclear	Missing	Sec 4(2)(c)
<i>Ratio of staff phone agents to claimants and to employers (2 measures)</i>			
Ratio of staff phone agents to claimants	Yes	Missing	Sec 4(2)(d)
Ratio of staff phone agents to employers	Yes	Missing	Sec 4(2)(d)
<i>Overpayment measures (3 measures)</i>			
Overpayment waiver approval rate	Yes	Missing	Sec 4(2)(e)
Dollar total of overpayments imposed	Yes	Missing	Sec 4(2)(e)
Number of overpayments imposed	Yes	Missing	Sec 4(2)(e)

Figure 3 – Detailed results of ESD’s compliance with ESSB 5193 requirements to report on metrics and publish an online data dashboard, *continued*

Specific metric	Addressed clearly		ESSB 5193 citation
	in reports	in dashboard	
<i>Appeals measures (3 measures)</i>			
Total appeals redetermined by department	Yes	Yes	Sec 4(2)(b)
Total appeals sent to Office of Administrative Hearings	Yes	Yes	Sec 4(2)(b)
Total pending appeals	Yes	Yes	Sec 4(2)(b)
<i>Other total claims or amounts measures (5 measures)</i>			
Total amount compensated	Yes	Yes	Sec 4(2)(b)
Total claims denied	Yes	Yes	Sec 4(2)(b)
Total claims pending in adjudication	Unclear	Unclear	Sec 4(2)(b)
Total claims where payment has been halted for review	Unclear	Unclear	Sec 4(2)(b)
Total number of claims paid	Yes	Yes	Sec 4(2)(b)
<i>Other measures (2 measures)</i>			
Percentage of unemployed persons receiving benefits (reciprocity rate)	Yes	Missing	Sec 4(2)(f)
Update of Unemployment Rate	Yes	Yes	Sec 4(2)(a)

Figure 4 – Detailed results of ESD’s compliance with requirement to make quarterly updates on progress implementing ESSB 5193

Requirement	Included in updates	ESSB 5193 citation
<i>Updates on reserve adjudicator pool requirements</i>		
Create a training program for a reserve force of UI claim adjudicators	Yes	Sec 2
Program must be open to both state and other public employees and private citizens	Unclear in update	Sec 2(2)(a)
Program must be of sufficient quality that a person completing the training would be ready to work within one week	Yes	Sec 2(2)(b)
Provide a certification of completion	Yes	Sec 2(2)(c)
Office of Financial Management must collaborate with ESD to identify agencies who meet minimum qualifications.	Yes	Sec 2(3)
<i>Updates on claimant communication requirements</i>		
Designate employees to assure letters, alerts and notices are written in plain English	Yes	Sec 3(1)&(2)
<i>Updates on dedicated phone line requirements</i>		
Establish dedicated phone lines for individuals with disabilities, limited English proficiency, and those with limited internet access or skills	Yes	Sec 3(4)
<i>Updates on exploring required areas with an unemployment insurance advisory committee</i>		
Establishing thresholds that will trigger automatic staffing adjustments	Yes	Sec 3(3)(a)
Establishing a pilot caseworker approach for unemployment claimants	Missing from updates, but <i>did</i> occur	Sec 3(3)(b)
Increasing language access including providing translation of notices sent to claimants	Yes	Sec 3(3)(c)
Frequency of training needed to meet requirements of reserve adjudicator program	Missing from updates, and <i>did not</i> occur	Sec 3(3)(c)

Figure 4 – Detailed results of ESD’s compliance with requirement to make quarterly updates on progress implementing ESSB 5193, *continued*

Requirement	Included in updates	ESSB 5193 citation
<i>Updates on required reporting activities</i>		
Maintain a dashboard	Yes	Sec 4
Provide quarterly reports with performance metrics	Yes	Sec 4
Provide a report on the number of persons with current certification under the reserve adjudicator program.	Yes	Sec 2(4)
<i>Other required reports</i>		
Updates on any new federal programs or funds received for unemployment and the administration and use of those funds	Yes	Sec 5(1)(b)
Any software or technology issues related to claims processing	Yes	Sec 5(1)(c)
Including issues causing claim delays	Yes	Sec 5(1)(c)
Including issues causing inaccurate automated notifications	Yes	Sec 5(1)(c)
Updates on protocols and process for protecting sensitive data	Yes	Sec 5(1)(d)

Appendix D: Sample templates and letters, before and after revision

ESD provided several pairs of templates and letters from before and after its revisions for our review. This appendix contains three examples that were in use before ESD made revisions (**Figures 6, 8 and 10**), and the three related versions that were put in use after ESD revised them (**Figures 7, 9 and 11**).

Figure	Document title	page
6	Non-monetary determination template before revision	82
7	Non-monetary determination template <i>after</i> revision	86
8	Frozen monetary determination letter before revision	89
9	Frozen monetary determination letter <i>after</i> revision	93
10	Re-evaluate claim letter before revision	95
11	Re-evaluate claim letter <i>after</i> revision	99

Figure 6 – Non-monetary determination template before revision



Date: [REDACTED]
Letter ID: [REDACTED]
Claimant ID: [REDACTED]

Unemployment Claim Determination

You've applied for unemployment insurance benefits. This letter explains how much money you could potentially get each week that you qualify for benefits.

This notification isn't an approval or denial of benefits. It tells you how much you could potentially get and for how long. We'll send you other letters or alerts in eServices to let you know when we approve or deny your claim.

We have determined:

- Your weekly benefit amount is \$321 for each week you are eligible to receive benefits.
- Your benefit year is Oct 17 2021 to Oct 15 2022.
- The maximum benefit amount you can receive for your benefit year is \$8,346.00.
- The amount you receive each week may vary because of taxes, wages you receive, and other factors.

We use the information you provide to determine if you qualify for these benefits each week you file your weekly claim.

If your weekly benefit amount is \$0, it could be because we don't have a record of your wages, or because you didn't work enough hours in your base year.

If you send us more information, we may be able to change this determination. Read on for more details about how to request a redetermination from us.

What's next:

- Review this information. You can learn more about how we calculate these amounts on our website at esd.wa.gov/unemployment/calculate-your-benefit.

File your weekly claim, view your unemployment benefit details, find a WorkSource center and more at esd.wa.gov. Search more than 60,000 Washington jobs on WorkSourceWA.com. Visit WorkSource for free employment workshops and expert job-hunting advice.



MONETARY DETERMINATION

Page: 1 of 4

Figure 6 – Non-monetary determination template before revision, *continued*

- If you think we've made a mistake, you can request a change, also called a redetermination. See details below.
- File weekly claims, even if you're waiting for an answer from us.
 - If you're approved for benefits, you'll start receiving payments after completing your weekly claim.
 - You may get more questionnaires that you'll need to answer and return to us before we can pay you.
 - Be sure to check eServices or your mail regularly for these questionnaires.
 - Each week that you file a claim, you will need to certify that you are able to work and available to work.
 - You may also need to actively seek work. If you do, we'll give you specific directions about job search.

If you're not eligible for unemployment benefits, and you're experiencing a COVID-related reason for unemployment, you may be eligible for Pandemic Unemployment Assistance. See details below.

Important terms:

Weekly Benefit Amount: The amount you could get each week before any deductions. It's based on the wages or income you earned during your base year. To calculate this, take the average of your two highest quarters of your base year and multiply by 0.0385.

Base Year: The first four of the last five completed quarters prior to the effective date of your claim. You must have worked at least 680 hours in covered employment in your base year to be eligible for unemployment benefits.

Alternate Base Year: If you're not eligible for benefits using your base year, you may qualify using an alternate base year. An alternate base year uses the last four completed quarters prior to the effective date of your claim to see if you worked 680 hours. For more information about alternate base year claims, visit esd.wa.gov/unemployment/calculate-your-benefit or see the Handbook for Unemployed Workers esd.wa.gov/handbook.

Benefit Year: The period when you'll be eligible for benefits if you continue to qualify. When your benefit year ends, you can reapply to start a new one.

Maximum Benefits Payable: The maximum amount you can get in your benefit year. We would pay you your weekly benefit amount each week until you reach this maximum amount.

File your weekly claim, view your unemployment benefit details, find a WorkSource center and more at esd.wa.gov. Search more than 60,000 Washington jobs on WorkSourceWA.com. Visit WorkSource for free employment workshops and expert job-hunting advice.



MONETARY DETERMINATION

Page: 2 of 4

Figure 6 – Non-monetary determination template before revision, *continued***Review the work history your employer(s) reported to us**

We use the hours and wages employers report to us each quarter to determine how much you may receive in benefits. We received wage and hour information for you from the employer(s) listed below.

Note: This table won't include any hours or wage information for people who are self-employed, independent contractors, or work only in employment not covered by unemployment insurance.

Employer	Jul to Sep 2020		Oct to Dec 2020		Jan to Mar 2021		Apr to Jun 2021	
	Wages	Hours	Wages	Hours	Wages	Hours	Wages	Hours
	5,494.77	344	8,433.97	537	8,279.87	488	7,599.02	437
	1,666.77	118	0.00	0	0.00	0	0.00	0
Quarterly Totals	7,161.54	462	8,433.97	537	8,279.87	488	7,599.02	437
Total Wages	31,474.40		Total Hours		1924			

If you disagree with these wages, hours, or the decisions based on them, you have the right to request a redetermination by the department within one year of the date of this letter.

How to request a redetermination by the department

If any information looks wrong or is missing, call the claims center at 800-318-6022. Check esd.wa.gov for our current hours.

You may also submit a written request for reconsideration and any additional information that you believe supports your claim by visiting your eServices account and attaching it in a web message, by faxing it to 800-301-1796, or by mailing it to:

Employment Security Department
 Claims Center Appeals
 P.O. Box 19018
 Olympia, WA 98507-0018
 Fax: 800-301-1795

Anytime there is an adjustment to the benefit amount you are potentially eligible for, we will send you a Redetermination of Unemployment Claim. If you still disagree with the redetermination, you may appeal that decision. You'll find your appeal rights and next steps in your redetermination letter.

Hearing and speech resources

If you have a hearing or speech impairment and need to call us, use the Washington Relay Service at 711.

Pandemic Unemployment Assistance (PUA)

PUA is a separate benefit program for people affected by COVID-19, who usually don't qualify for regular unemployment. They include:



Figure 6 – Non-monetary determination template before revision, *continued*

- Part-time workers and others who have lost work due to COVID-19
- Workers with less than 680 hours in their base year
- Parents who have lost childcare due to COVID-19
- People at high risk of contracting COVID-19
- People who are sick or caring for someone with COVID-19
- People who are unemployed due to COVID-19 and have run out of regular unemployment benefits
- People who are unemployed due to COVID-19 and are not eligible for regular unemployment benefits

PUA is only available as authorized by Congress during a declared pandemic period.

The laws that apply are 20 CFR 625.4 and Public Law 116-136.



Figure 7 – Non-monetary determination template *after* revision





Date: [REDACTED]
Letter ID: [REDACTED]
Claimant ID: [REDACTED]

Employment Security Department
WASHINGTON STATE
P.O. Box 9046, Olympia, WA 98507

Unemployment Claim Determination

Dear [REDACTED],

Thank you for completing your application for unemployment benefits. This letter tells you how much money you could get and for how long. To be paid, you must file weekly claims and meet all eligibility requirements.

Our determination:

- Your weekly benefit amount is \$850.00 for each week you are eligible to receive benefits.
- Your benefit year is May 1 2022 to Apr 29 2023. You can file for unemployment benefits on your claim during this time.
- The maximum benefits you can receive in your benefit year is \$14,725.00.
- The amount you receive each week may vary because of taxes, wages you earn, and other factors. Learn more in the section below called *How we calculate your weekly benefit amount*.

Your next steps

- **Review your work history.** It's important! We use your wages and hours to calculate how much to pay you. If you think we made a mistake, you can request a change, also called a redetermination.
- **Read any notices we send you.** We might need more information before we can pay you.
- **File weekly claims for every week you want to receive benefits.** We use the weekly claim information to determine if you qualify for benefits each week. File weekly claims even if:
 - We asked you for more information.
 - You asked for a change, also called a redetermination.

Search more than 60,000 Washington jobs on WorkSourceWA.com. Visit WorkSource for free employment workshops and expert job-hunting advice.
Read the Handbook for Unemployed Workers at esd.wa.gov to find everything you need to know about benefits, including training for a new career.



MONETARY DETERMINATION

Page: 1 of 3

Figure 7 – Non-monetary determination template *after* revision, *continued***Review your work history**

Employers report employee hours and wages to us. We received your wage and hour information from the employer(s) listed below.

Work history table

Employer	Jan to Mar 2021		Apr to Jun 2021		Jul to Sep 2021		Oct to Dec 2021	
	Wages	Hours	Wages	Hours	Wages	Hours	Wages	Hours
	0.00	0	0.00	0	0.00	0	0.00	0
	26,191.67	525	32,205.01	627	11,972.70	230	0.00	0
Quarterly Totals	26,191.67	525	32,205.01	627	11,972.70	230	0.00	0
Total Wages	122,934.35		Total Hours		8632			

Ask yourself two questions to review your work history:

1. Are all your hours and wages listed correctly?

Compare your paystubs or W-2 Forms to the hours we listed in the table.

NOTE: This table won't include hours or wages for your work in self-employment, as an independent contractor, or for a job not covered by unemployment insurance.

2. Are all your employers listed?

If an employer you worked for is not listed:

- We might have information that is not complete. You can send us more information and request a redetermination.

Or

- An employer might have another name you don't recognize. Check the names on your pay stubs or W-2 Forms.

How to request a redetermination

If you disagree with these wages or hours, you can request a redetermination by **May 2 2023**

Step 1: Gather your documents

- Paystubs from Jan 1 2021 to Dec 31 2021
- W-2 Form(s) for the period from Jan 1 2021 to Dec 31 2021
- Other related information

Step 2: Ways to request a redetermination

- Call the Unemployment Claims Center at 800-318-6022. Check esd.wa.gov/contact for our current hours.
- Submit a written request for a redetermination.
 - Fax to 800-301-1796 by **May 2 2023**
 - or
 - Mail: Postmark by **May 2 2023**



Figure 7 – Non-monetary determination template *after* revision, *continued*

Employment Security Department
 Claims Center Appeals
 P.O Box 19018
 Olympia, WA 98507-0018

What to include in your written request:

A sentence asking for a redetermination of Letter ID [REDACTED]

- Names of the employer(s) you think are missing or incorrect.
- Copies of the paystubs, W-2 Forms or other related information listed in Step 1.

We will review your request for a redetermination. Then, we will send you a *Redetermination of Unemployment Claim* letter. If you disagree with the redetermination, you can appeal. You'll find appeal instructions in your redetermination letter. Keep filing weekly claims during this process!

How we calculate your benefit amount

Step 1: We add together the gross wages from the two highest quarters noted in your *Work history table* above. Then we divide by 2.

Step 2: We multiply the amount in step 1 by 0.0385.

- If this is more than Washington's official maximum weekly benefit amount of \$929.00, you will get \$929.00.
- If this is at least \$295.00 and not more than \$929.00, you will get this amount, rounded down to the nearest dollar.
- If this is less than \$295.00, we go to step 3.

Step 3: We calculate your weekly wage. We take the amount calculated in step 1, multiply by 4 and divide by 52 weeks. That equals your estimated weekly wage.

Step 4: Then we compare your estimated weekly wage to \$295.00. You will get the lesser amount, rounded down to the nearest dollar.

Learn more on our website at esd.wa.gov/unemployment/calculate-your-benefit.

Laws that apply to this letter

- RCW 50.04.030: app.leg.wa.gov/RCW/default.aspx?cite=50.04.030
- RCW 50.20.120: app.leg.wa.gov/RCW/default.aspx?cite=50.20.120
- RCW 50.20.140: app.leg.wa.gov/RCW/default.aspx?cite=50.20.140
- RCW 50.20.160: app.leg.wa.gov/RCW/default.aspx?cite=50.20.160
- RCW 50.32.020: app.leg.wa.gov/RCW/default.aspx?cite=50.32.020

Help is available

The Employment Security Department is an equal opportunity program. Auxiliary aids and services are available upon request to individuals with disabilities. Language assistance services for limited English proficient individuals are available free of charge. Washington Relay Service 711.



Figure 8 – Frozen monetary determination letter before revision





Employment Security Department
WASHINGTON STATE
P.O. Box 9046, Olympia, WA 98507

Date: [REDACTED]
 Letter ID: [REDACTED]

Unemployment Claim Determination

The Washington State Department of Labor and Industries notified us that you were injured on the job. If you don't go back to work when your healthcare provider releases you, you may be eligible for unemployment benefits. To help you decide if you want to apply for unemployment benefits, this letter provides information about your potential eligibility.

To apply, go to eServices or call the claims center at 800-318-6022.

You've applied for unemployment insurance benefits. This letter explains how much money you could potentially get each week that you qualify for benefits.

This notification isn't an approval or denial of benefits. It tells you how much you could potentially get and for how long. We'll send you other letters or alerts in eServices to let you know when we approve or deny your claim.

We have determined:

- Your weekly benefit amount is \$372 for each week you are eligible to receive benefits.
- Your benefit year will be established when you are released by your healthcare professional.
- The maximum benefit amount you can receive for your benefit year is \$9,672.00.
- The amount you receive each week may vary because of taxes, wages you receive, and other factors.

We use the information you provide to determine if you qualify for these benefits each week you file your weekly claim.

If your weekly benefit amount is \$0, it could be because we don't have a record of your wages, or because you didn't work enough hours in your base year.

File your weekly claim, view your unemployment benefit details, find a WorkSource center and more at esd.wa.gov.
Read the Handbook for Unemployed Workers at esd.wa.gov to find everything you need to know about benefits, including training for a new career.



MONETARY DETERMINATION [REDACTED]

Page: 1 of 4

Figure 8 – Frozen monetary determination letter before revision, *continued*

If you send us more information, we may be able to change this determination. Read on for more details about how to request a redetermination from us.

What's next:

- Review this information. You can learn more about how we calculate these amounts on our website at esd.wa.gov/unemployment/calculate-your-benefit.
- If you think we've made a mistake, you can request a change, also called a redetermination. See details below.
- File weekly claims, even if you're waiting for an answer from us.
 - If you're approved for benefits, you'll start receiving payments after completing your weekly claim.
 - You may get more questionnaires that you'll need to answer and return to us before we can pay you.
 - Be sure to check eServices or your mail regularly for these questionnaires.
 - Each week that you file a claim, you will need to certify that you are able to work and available to work.
 - You may also need to actively seek work. If you do, we'll give you specific directions about job search.

If you're not eligible for unemployment benefits, and you're experiencing a COVID-related reason for unemployment, you may be eligible for Pandemic Unemployment Assistance. See details below.

Important terms:

Weekly Benefit Amount: The amount you could get each week before any deductions. It's based on the wages or income you earned during your base year. To calculate this, take the average of your two highest quarters of your base year and multiply by 0.0385.

Base Year: The first four of the last five completed quarters prior to the effective date of your claim. You must have worked at least 680 hours in covered employment in your base year to be eligible for unemployment benefits.

Alternate Base Year: If you're not eligible for benefits using your base year, you may qualify using an alternate base year. An alternate base year uses the last four completed quarters prior to the effective date of your claim to see if you worked 680 hours. For more information about alternate base year claims, visit esd.wa.gov/unemployment/calculate-your-benefit or see the Handbook for Unemployed Workers esd.wa.gov/handbook.

Benefit Year: The period when you'll be eligible for benefits if you continue to qualify. When your benefit year ends, you can reapply to start a new one.

Maximum Benefits Payable: The maximum amount you can get in your benefit year. We would pay you your weekly benefit amount each week until you reach this maximum amount.

File your weekly claim, view your unemployment benefit details, find a WorkSource center and more at esd.wa.gov.
Read the Handbook for Unemployed Workers at esd.wa.gov to find everything you need to know about benefits, including training for a new career.



MONETARY DETERMINATION

Page: 2 of 4

Figure 8 – Frozen monetary determination letter before revision, *continued***Review the work history your employer(s) reported to us**

We use the hours and wages employers report to us each quarter to determine how much you may receive in benefits. We received wage and hour information for you from the employer(s) listed below.

Note: This table won't include any hours or wage information for people who are self-employed, independent contractors, or work only in employment not covered by unemployment insurance.

Employer	Jan to Mar 2016		Apr to Jun 2016		Jul to Sep 2016		Oct to Dec 2016	
	Wages	Hours	Wages	Hours	Wages	Hours	Wages	Hours
	545.19	58	547.93	58	23.20	2	0.00	0
	8,750.92	520	8,098.44	506	8,808.70	536	10,067.42	571
Quarterly Totals	9,296.11	578	8,646.37	564	8,831.90	538	10,067.42	571
Total Wages	36,841.80		Total Hours		2251			

If you disagree with these wages, hours, or the decisions based on them, you have the right to request a redetermination by the department within one year of the date of this letter.

How to request a redetermination by the department

If any information looks wrong or is missing, call the claims center at 800-318-6022. Check esd.wa.gov for our current hours.

You may also submit a written request for reconsideration and any additional information that you believe supports your claim by visiting your eServices account and attaching it in a web message, by faxing it to 800-301-1796, or by mailing it to:

Employment Security Department
 Claims Center Appeals
 P.O. Box 19018
 Olympia, WA 98507-0018
 Fax: 800-301-1795

Anytime there is an adjustment to the benefit amount you are potentially eligible for, we will send you a Redetermination of Unemployment Claim. If you still disagree with the redetermination, you may appeal that decision. You'll find your appeal rights and next steps in your redetermination letter.

Hearing and speech resources

If you have a hearing or speech impairment and need to call us, use the Washington Relay Service at 711.

Pandemic Unemployment Assistance (PUA)

PUA is a separate benefit program for people affected by COVID-19, who usually don't qualify for regular unemployment. They include:



Figure 8 – Frozen monetary determination letter before revision, *continued*

- Part-time workers and others who have lost work due to COVID-19
- Workers with less than 680 hours in their base year
- Parents who have lost childcare due to COVID-19
- People at high risk of contracting COVID-19
- People who are sick or caring for someone with COVID-19
- People who are unemployed due to COVID-19 and have run out of regular unemployment benefits
- People who are unemployed due to COVID-19 and are not eligible for regular unemployment benefits

PUA is only available as authorized by Congress during a declared pandemic period.

The laws that apply are 20 CFR 625.4 and Public Law 116-136.

Figure 9 – Frozen monetary determination letter *after* revision





Employment Security Department
WASHINGTON STATE
P.O. Box 9046, Olympia, WA 98507

Date: [REDACTED]
Letter ID: [REDACTED]
Claimant ID: [REDACTED]

Unemployment Claim Determination

Dear [REDACTED],

The Washington State Department of Labor & Industries told us you were injured on the job. If you don't go back to work when your health care provider releases you, you could be eligible for unemployment benefits.

Read this letter to help you decide if you want to apply. This letter includes your potential benefits. To apply, go to eServices at secure.esd.wa.gov or call the Unemployment Claims Center at 800-318-6022.

What you could potentially receive if you apply:

- Your weekly benefit amount could be \$0.00 for each week you are eligible to receive benefits.
- We will establish your benefit year when you are released by your health care provider.
- The maximum benefits you could receive in your benefit year is \$790.00.
- The amount you receive each week may vary because of taxes, wages you earn, and other factors. Learn more in the section below called *How we calculate your weekly benefit amount*.

Your work history affects your weekly benefit amount
Employers report employee hours and wages to us. We received your wage and hour information from the employer(s) listed below.

File your weekly claim, view your unemployment benefit details, find a WorkSource center and more at esd.wa.gov. Search more than 60,000 Washington jobs on WorkSourceWA.com. Visit WorkSource for free employment workshops and expert job-hunting advice.



MONETARY DETERMINATION

Page: 1 of 2

Figure 9 – Frozen monetary determination letter *after* revision, *continued***Work history table**

Employer	Jan to Mar 2019		Apr to Jun 2019		Jul to Sep 2019		Oct to Dec 2019	
	Wages	Hours	Wages	Hours	Wages	Hours	Wages	Hours
	10,962.56	518	10,485.65	511	14,507.87	555	10,182.07	460
Quarterly Totals	10,962.56	518	10,485.65	511	14,507.87	555	10,182.07	460
Total Wages	46,138.15		Total Hours		2044			

How we calculate your weekly benefit amount if your benefit year begins Jan. 2, 2022 or later:

Step 1: We add together the gross wages from the two highest quarters noted in your *Work history table* above. Then we divide by 2.

Step 2: We multiply the amount in step 1 by 0.0385.

- If this is more than Washington's official maximum weekly benefit amount of \$790.00, you will get \$790.00.
- If this is at least \$188.00 and not more than \$790.00, you will get this amount, rounded down to the nearest dollar.
- If this is less than \$188.00, we go to step 3.

Step 3: We calculate your weekly wage. We take the amount calculated in step 1, multiply by 4 and divide by 52 weeks. That equals your estimated weekly wage.

Step 4: Then we compare your estimated weekly wage to \$188.00. You will get the lesser amount, rounded down to the nearest dollar.

Learn more on our website at esd.wa.gov/unemployment/calculate-your-benefit.

Laws that apply to this letter

- RCW 50.04.030: app.leg.wa.gov/RCW/default.aspx?cite=50.04.030
- RCW 50.20.120: app.leg.wa.gov/RCW/default.aspx?cite=50.20.120
- RCW 50.20.140: app.leg.wa.gov/RCW/default.aspx?cite=50.20.140
- RCW 50.20.160: app.leg.wa.gov/RCW/default.aspx?cite=50.20.160
- RCW 50.32.020: app.leg.wa.gov/RCW/default.aspx?cite=50.32.020
- RCW 50.06: app.leg.wa.gov/RCW/default.aspx?cite=50.06
- WAC 192-34: apps.leg.wa.gov/WAC/default.aspx?cite=192-34&full=true

Help is available

The Employment Security Department is an equal opportunity program. Auxiliary aids and services are available upon request to individuals with disabilities. Language assistance services for limited English proficient individuals are available free of charge. Washington Relay Service 711.



Figure 10 – Re-evaluate claim letter before revision

NOTE: The re-evaluate claim letter is a type of non-monetary determination letter. The letter below is an example of the pre-revision non-monetary determination template, with the pre-revision re-evaluate claim drop-in in the red box.



Date: [REDACTED]
Letter ID: [REDACTED]
Claimant ID: [REDACTED]

Dear [REDACTED]:

Re-evaluate Claim: [REDACTED]

We made a decision about your unemployment benefits claim based on information we have at this time.

We re-evaluated your unemployment benefits starting Mar 29 2020. This update was due to a change in at least one of the items below:

- Determination of a new issue.
- Redetermination of an existing issue.
- Determination or redetermination of a monetary decision.
- An update to your weekly claim deductions.
- Processing of an appeal decision.

If we need to consider other questions about your claim, we'll send you separate letters to address each issue.

You might owe us \$291.00 as a result of this decision.

We paid you too much. This is called an overpayment.

You may be eligible for an overpayment waiver, since we've determined that you're not at fault. If we need more information from you, we'll send you a waiver request form through eServices or by mail.

If you receive the form you need to complete and return it before the due date. If you don't, you must repay the entire amount.

See the *Overpayment details* table at the end of this letter.

In addition to unemployment benefits, you may have received benefits called Federal Pandemic Unemployment Compensation (FPUC).

If you were denied a full week of unemployment benefits for a week when you received FPUC, you must pay it back. We will send you a separate statement that includes the amount of FPUC

Search more than 60,000 Washington jobs on WorkSourceWA.com. Visit WorkSource for free employment workshops and expert job-hunting advice.

Read the Handbook for Unemployed Workers at esd.wa.gov to find everything you need to know about benefits, including training for a new career.

Figure 10 – Re-evaluate claim letter before revision, *continued*

funds you must repay. These funds are not in the summary table at the end of this letter.

The law that applies is Public Law 116-136.

Lost Wages Assistance (LWA) provided an additional \$300 each week claimed between Jul 26 and Sep 5 2020. If this decision denies benefits in these weeks and you received LWA, you must repay the LWA payments. We cannot waive that repayment.

The LWA payments are not included in the summary table at the end of this letter.

You can pay now

If you agree with our decision and don't want to appeal, you can pay now:

- Online at esd.wa.gov. Select Pay a benefit overpayment, or
- By mail – **Send payments to:**
Employment Security Collections
P.O. Box 24928
Seattle, WA 98124-0928

Include:

- Your Social Security number or Employment Security ID number; and
- A request to apply your payment to your balance.

You must make payments on time. If you don't, we could:

- Garnish your wages or bank account(s); or
- Withhold your income tax refund.

If you need to discuss other payment options, call 866-697-4831.

You can appeal this decision if you disagree with it.

We sent a copy of this letter to the people or businesses listed below. They can appeal the decision, too. We'll notify you if they do.

What you need to do now

- Read this entire letter carefully and decide if you want to appeal. You have until Jun 16 2021 to appeal.
- Whether or not you appeal, continue to submit weekly claims for weeks you want to get benefits. We'll decide if you're qualified for those benefits.

How to appeal:

You or your employer(s) can appeal on eServices, by fax or postmarked by Jun 16 2021. You cannot appeal by email or phone.

The easiest way to appeal is to log into eServices, select this decision and follow the instructions.

If you choose to write a letter, you must tell us you disagree with the decision and would like to appeal. You must also include:

Search more than 60,000 Washington jobs on WorkSourceWA.com. Visit WorkSource for free employment workshops and expert job-hunting advice.
Read the Handbook for Unemployed Workers at esd.wa.gov to find everything you need to know about benefits, including training for a new career.



DETERMINATION LETTER

Page: 2 of 4

Figure 10 – Re-evaluate claim letter before revision, *continued*

- Your Social Security number.
- The employer's name, address and phone number.
- Which decision you want to appeal.
- Your signature. We will return any unsigned appeals.

Mail or fax the letter to:

Employment Security Department
 Claims Center Appeals
 P.O. Box 19018
 Olympia, WA 98507-0018
 Fax: (800) 301-1795

After we receive an appeal:

- We will send the appeal and all information we have about this decision to the Office of Administrative Hearings (OAH), which will schedule a hearing.
- OAH will mail a Notice of Hearing by **U.S. mail** to you and the people or businesses listed above about the hearing date and time.

More about filing an appeal:

- Go to the Benefit denials and appeals page on esd.wa.gov or type "benefit appeals" in the search box. You can find an appeal template on the Benefit denials and appeals page, available in English or Spanish.
- Visit <http://app.leg.wa.gov/rcw/> and type 50.32.020 in the search box.

Questions:

If you have questions about this letter, see the Handbook for Unemployed Workers at esd.wa.gov/handbook or pick up a copy at your local WorkSource office. You can also call the claims center at (800) 318-6022.

Search more than 60,000 Washington jobs on WorkSourceWA.com. Visit WorkSource for free employment workshops and expert job-hunting advice.

Read the Handbook for Unemployed Workers at esd.wa.gov to find everything you need to know about benefits, including training for a new career.



DETERMINATION LETTER

Page: 3 of 4

Figure 10 – Re-evaluate claim letter before revision, *continued*


Overpayment details

The amount you need to repay includes what we withheld for your federal income tax, for child support or for repaying previous overpayments of your unemployment benefits.

Week we overpaid your benefits	Benefits we paid you	Benefits you are entitled to	Total amount we overpaid	Denied for multiple reasons?*	Amount of penalty due to fraud	Conditional benefits	Regular benefits
Sep 6 2020 to Sep 12 2020	241.00	191.00	50.00	No	0.00	0.00	241.00
Dec 13 2020 to Dec 19 2020	241.00	0.00	241.00	No	0.00	0.00	241.00
Total	482.00	N/A	291.00	N/A	0.00	0.00	482.00

*If we denied your benefits for more than one reason, you might have more than one overpayment. The amount in the Total amount we overpaid column is the total of all overpayments connected to each week. The bill we send you might not match these amounts because it might cover other weeks.

Find details in eServices, where you can view all decisions and redeterminations about your claim.

Search more than 60,000 Washington jobs on WorkSourceWA.com. Visit WorkSource for free employment workshops and expert job-hunting advice. Read the Handbook for Unemployed Workers at esd.wa.gov to find everything you need to know about benefits, including training for a new career.

DETERMINATION LETTER

Page: 4 of 4

Figure 11 – Re-evaluate claim letter *after* revision

NOTE: The re-evaluate claim letter is a type of non-monetary determination letter. The letter below is an example of the post-revision non-monetary determination template, with the post-revision re-evaluate claim drop-in in the red box.



Date: [REDACTED]
Letter ID: [REDACTED]
Claimant ID: [REDACTED]

Dear [REDACTED]:

Re-evaluate Claim-[REDACTED]

We made a new decision that affects your claim for unemployment benefits. This decision applies to your UI claim, Claim ID [REDACTED]. This decision replaces any prior decisions about this particular issue.

Our decision

We had to make a change to your benefits. We're required by law to make sure we pay you benefits from the right program and in the right order. You claimed benefits on more than one program, so our computer system checked your claim [REDACTED]. We call this a re-evaluation.

This re-evaluation caused an overpayment. We found that you should not have received some benefits we paid you in the past. We're sorry, but you must repay those benefits.

You might owe us \$92.00 as a result of this decision.

We paid you too much. This is called an overpayment.

You may be eligible for an overpayment waiver, since we've determined that you're not at fault. If we need more information from you, we'll send you a waiver request form through eServices or by mail.

If you receive the form you need to complete and return it before the due date. If you don't, you must repay the entire amount.

See the *Overpayment details* table at the end of this letter.

In addition to unemployment benefits, you may have received benefits called Federal Pandemic Unemployment Compensation (FPUC).

If you were denied a full week of unemployment benefits for a week when you received FPUC, you must pay it back. We will send you a separate statement that includes the amount of FPUC

Search more than 60,000 Washington jobs on WorkSourceWA.com. Visit WorkSource for free employment workshops and expert job-hunting advice.
Read the Handbook for Unemployed Workers at esd.wa.gov to find everything you need to know about benefits, including training for a new career.



DETERMINATION LETTER

Figure 11 – Re-evaluate claim letter *after* revision, *continued*

funds you must repay. These funds are not in the summary table at the end of this letter.

The laws that apply are Public Law 116-136 section 2104 and Public Law 116-260 section 203.

Lost Wages Assistance (LWA) provided an additional \$300 each week claimed between Jul 26 and Sep 5 2020. If this decision denies benefits in these weeks and you received LWA, you must repay the LWA payments. We cannot waive that repayment.

The LWA payments are not included in the summary table at the end of this letter.

Next steps

Keep filing your weekly claims for the weeks you want to get benefits, even if we denied you. If your situation changes, we may pay you benefits for the weeks you filed.

Know your rights. Read the next section on appeal information if you disagree with our decision.

Appeal information

You can appeal this decision if you disagree with it. You have until Jun 6 2022 to appeal.

If you file your appeal by then, you won't need to repay your overpayment until we know the result of your appeal.

How to appeal

eServices is the easiest way to file an appeal:

1. Log in to eServices.
2. Select the Decisions status tab.
3. Look for Letter ID [REDACTED]
4. Select File an appeal.

You can also appeal via **fax or mail**. Fax or postmark by Jun 6 2022.

- You can choose to write a letter requesting an appeal or you can use the appeal request template, available at: <https://esd.wa.gov/unemployment/benefit-denials-and-appeals>.
- If you choose to write a letter, you must include:
 - Letter ID [REDACTED]
 - Why you disagree with our decision.
 - Your Social Security number.
 - Your signature.
- Fax: 800-301-1795
- Mail:

Employment Security Department
 Claims Center Appeals
 P.O. Box 19018
 Olympia, WA 98507-0018

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 Read the Handbook for Unemployed Workers at esd.wa.gov to find everything you need to know about benefits, including training for a new career.



DETERMINATION LETTER

Figure 11 – Re-evaluate claim letter *after* revision, *continued*

NOTE: You cannot appeal by email or phone.

After we receive an appeal:

We will send the appeal and all information we have about this decision to the Office of Administrative Hearings (OAH).

OAH will schedule a hearing

OAH will mail a Notice of Hearing by U.S. mail to you and the people or businesses listed above. The notice will include the hearing date and time.

Learn more about appeals

- Visit <https://esd.wa.gov/unemployment/benefit-denials-and-appeals>
- Read state law:
 - RCW 50.32.020: app.leg.wa.gov/rcw/default.aspx?cite=50.32.020
 - RCW 50.32.025: app.leg.wa.gov/RCW/default.aspx?cite=50.32.025
 - RCW Chapter 50.32: app.leg.wa.gov/RCW/default.aspx?cite=50.32
 - WAC Chapter 192-04: apps.leg.wa.gov/wac/default.aspx?cite=192-04

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Read the Handbook for Unemployed Workers at esd.wa.gov to find everything you need to know about benefits, including training for a new career.



DETERMINATION LETTER

Figure 11 – Re-evaluate claim letter *after* revision, *continued*





Overpayment details

The amount you need to repay includes what we withheld from your payment. We might have withheld federal income tax, child support or payments on previous overpayments.

Week we overpaid your benefits	Benefits we paid you	Benefits you are entitled to	Total amount we overpaid	Denied for multiple reasons?*	Amount of penalty due to fraud	Conditional benefits	Regular benefits
Dec 13 2020 to Dec 19 2020	269.00	177.00	92.00	No	0.00	0.00	269.00
Total	269.00	N/A	92.00	N/A	0.00	0.00	269.00

*If we denied your benefits for more than one reason, you might have more than one overpayment.

The amount in the Total amount we overpaid column is the total of all overpayments connected to each week. You may have other overpayments not listed here. The overpayment listed here is connected to this decision.

To find out more details about your overpayments, go to eServices, where you can view all decisions and redeterminations about your claim. If you don't have eServices, you can call our Claims Center at 800-318-6022.

For more information about overpayments, visit esd.wa.gov/uncemployment/overpayments.

You can pay now

If you don't want to appeal our decision, you can pay what you owe now.

- Pay via eServices. Log in and check under "Alerts" for your overpayment balance.
- Pay online at <https://www.billerpayments.com/app/cust/login.do?bsn=sowesd>.
- Pay by mail. Send payments to:
Employment Security Collections
P.O. Box 24928

Search more than 60,000 Washington jobs on WorkSourceWA.com. Visit WorkSource for free employment workshops and expert job-hunting advice.
Read the Handbook for Unemployed Workers at esd.wa.gov to find everything you need to know about benefits, including training for a new career.

DETERMINATION LETTER

Page: 4 of 5

Figure 11 – Re-evaluate claim letter *after* revision, *continued*

Seattle, WA 98124-0928

Include:

- Your Social Security number or Employment Security ID number; and
- A request to apply your payment to your balance.

Search more than 60,000 Washington jobs on WorkSourceWA.com. Visit WorkSource for free employment workshops and expert job-hunting advice. Read the Handbook for Unemployed Workers at esd.wa.gov to find everything you need to know about benefits, including training for a new career.

DETERMINATION LETTER

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Appendix E: Performance measures for improved customer service

Auditors reviewed leading practices for strategic planning as well as customer service and call centers. Figures 5 and 6 (on the following page) list performance measures that could help ESD assess how well it is serving its customers.

Figure 5 – List of performance measures for strategic planning

Measure	Definition
Output	Output measures are about the number of units of a product or service produced or delivered.
Process	Process measures describe aspects of the business process, such as completion rate, processing time, backlog, error rates.
Input	Input measures are resources used and could include things like applications received, dollars spent, and staff hours used.
Efficiency	Efficiency measures look at the unit cost to produce or deliver a product or service -- inputs divided by outputs. It is an attribute of a process.
Quality	Quality measures are about the amount of product created or that customers receive that meets standards, specifications, or customer needs the first time, without any reworking.
Compliance	Compliance measures track the percentage that voluntarily conform to legal, financial, or timeliness standards.
Outcome	Outcome measures have to do with what the ultimate benefit would be and includes things like improvement of an overall environment.

Figure 6 – Performance measures for unemployment benefits customer services and call centers

Measure	Definition
Prompt and accurate measures	Measures for unemployment insurance could include prompt and accurate determination of eligibility.
Payments received in a timely fashion	Measures for whether claimants receive payments within a set amount of time.
Average call abandonment rate	Shows the percentage of callers who hang up before reaching an agent.
Percentage of calls blocked	Calculates the number of inbound callers who receive a busy tone. It could be a result of too few available agents and no call queues configured, or that the call center software is not prepared to handle the call volume.
Average time in queue	Shows the amount of time callers are stuck in call queues. That number is divided by the total number of calls answered.
Service level of employee	Measures agent productivity in real-time based on the percentage of calls answered within a specific amount of time.
Average speed to answer	Calculates the average amount of time it takes agents to answer calls.
Average handle time	Tracks the average time an agent spends on a call, starting when they pick up the call until disconnection.
Average after call work time	Tracks and measures the average time it takes agents to do the work associated with a call after it's finished.
First contact resolutions	Tracks the percentage of calls where the agent can address a caller's issues without transferring, escalating or returning the call.
Occupancy rates	Indicates how much time agents are on live calls or finishing work related to those calls.
Customer satisfaction score	Shows how satisfied a customer is with products, services or even customer service. These are usually measured by conducting a customer survey.



“Our vision is to increase **trust** in government. We are the public’s window into how tax money is spent.”

– Pat McCarthy, State Auditor

Washington State Auditor’s Office
P.O. Box 40031 Olympia WA 98504

www.sao.wa.gov

1-564-999-0950



Office of the Washington State Auditor
Pat McCarthy